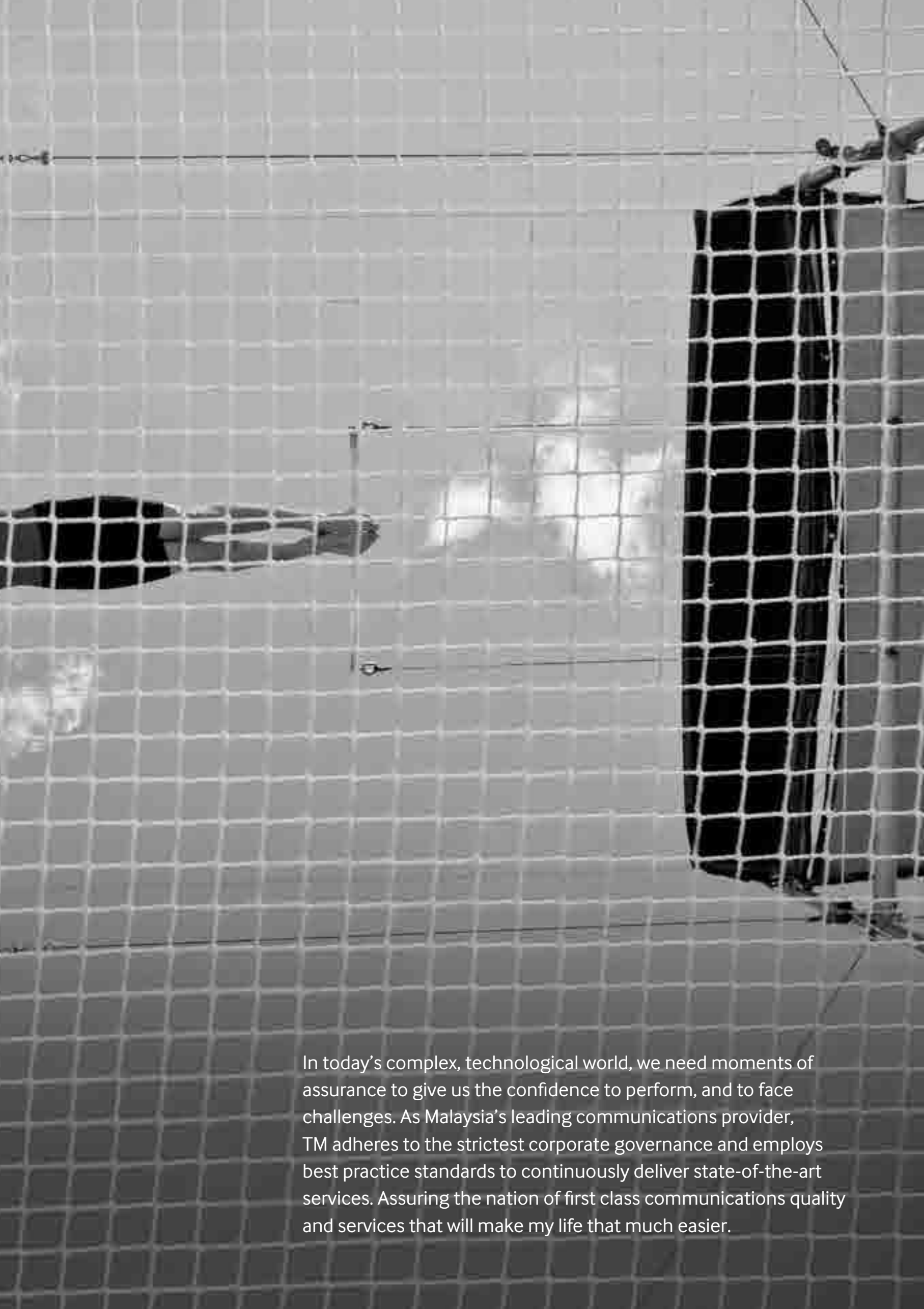


Assuring Moments



In today's complex, technological world, we need moments of assurance to give us the confidence to perform, and to face challenges. As Malaysia's leading communications provider, TM adheres to the strictest corporate governance and employs best practice standards to continuously deliver state-of-the-art services. Assuring the nation of first class communications quality and services that will make my life that much easier.



Who Governs Us

- PROFILE OF DIRECTORS (as at 5 March 2018)



**TAN SRI DATO' SERI
DR SULAIMAN MAHBOB**

**CHAIRMAN/
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR**

- Age **69**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **12 January 2015**
- Date of Last Re-election **26 April 2017**

QUALIFICATIONS

- Degree in Economics (Hons), University of Malaya (UM)
- Master of Science, University of London, United Kingdom (UK)
- PhD, Maxwell School of Citizenship and Public Affairs, Syracuse University, New York, United States of America (USA)
- Attended the World Currency Reform, Harvard University, USA
- Honorary Doctorate in Economic Management, Universiti Kebangsaan Malaysia (UKM)

WORKING EXPERIENCE

Tan Sri Dr Sulaiman served the Government sector for over 38 years in various capacities including holding the position of the Director-General of the Economic Planning Unit, Prime Minister's Department, Secretary-General of the then Ministry of Domestic Trade and Consumer Affairs, and Under Secretary (Economics) of the Ministry of Finance.

He served as Head of the Secretariat of the National Economic Action Council (NEAC) during the financial crisis in 1997/1998, when Malaysia implemented the capital control policy. He was then seconded to the Malaysian Institute of Economic Research (MIER) from 1995-1997 as its Executive Director. He also served at the Institute of Integrity Malaysia (IIM) as its first founding President from 2004 until 2005, where he established several work programmes to promote a culture of ethics and integrity within the public sector and also in the private sector in line with the Government's National Integrity Plan.

Tan Sri Dr Sulaiman was previously Chairman of the Malaysian Investment Development Authority (MIDA) and the Companies Commission of Malaysia. He was also a Board member of Petroliaam Nasional Berhad (PETRONAS), Federal Land Development Authority (FELDA), Felda Global Ventures Holdings Berhad, Malaysia Insurance Deposit Corporation (PIDM) and the then Multimedia and Communications Commission.

He is currently the Chairman of Universiti Telekom Sdn Bhd, a company that operates and manages Multimedia University (MMU), wholly-owned subsidiary of TM, as well as Chairman of MIER and Minority Shareholder Watchdog Group (MSWG). He is also the Deputy Chairman of the Malaysian Economic Association (MEA) and a Board member of Bank Negara Malaysia (BNM) and the Institute of Strategic and International Studies (ISIS).

He is an Adjunct Professor (Economics) at the UM, Universiti Utara Malaysia and Universiti Tun Abdul Razak.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- Badan Pengawas Pemegang Saham Minoriti Berhad
- Malaysian Institute of Economic Research (MIER)

BOARD COMMITTEE

None

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

Non-Executive Chairman nominated by Special Shareholder of TM, the Minister of Finance, a body corporate established under the Minister of Finance (Incorporation) Act 1957 (MOF Inc.).



DATO' SRI MOHAMMED SHAZALLI RAMLY

*MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER
NON-INDEPENDENT EXECUTIVE DIRECTOR*

- Age **56**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **1 May 2017**
- Date of Last Re-election **Not Applicable**

QUALIFICATIONS

- Bachelor of Science (Marketing) from Indiana University, Bloomington, Indiana, USA
- MBA from St. Louis University, Missouri, USA

WORKING EXPERIENCE

Dato' Sri Shazalli, was appointed the Managing Director/Group Chief Executive Officer (MD/Group CEO) of Telekom Malaysia Berhad (TM) effective on 1 May 2017. He spent his early education in MARA Junior Science College (MRSM) and Universiti Teknologi MARA (UiTM), Perlis.

He was most recently the Regional Chief Executive Officer (CEO) and Corporate Executive Vice President (EVP) for Axiata Group Berhad's South East Asia operations, after being promoted from his previous position as the CEO and director of Celcom Axiata Berhad (Celcom), a position he held from 1 September 2005 until 31 August 2016.

Prior to his appointment at Celcom, he was the Chief Executive Officer of NTV7, Malaysia's 7th terrestrial TV station, a position he held for 8 years since its launch in 1998. Dato' Sri Shazalli left his mark in the Fast Moving Consumer Goods industry, prior to his service with NTV7. He served Unilever (1987 – 1993) both in Malaysia and Indonesia, followed by the Malaysian Tobacco Company (MTC) and British American Tobacco (BAT) (1993 – 1996) both in Malaysia and the UK. He also served as ASTRO Marketing Director for two years where he pioneered the launch of ASTRO digital satellite services in Malaysia.

In recognition of his achievements, Dato' Sri Shazalli was bestowed the Business Leadership Award 2009: Telecommunications Sector; 2010 as the Masterclass CEO of the Year by Malaysia Business Leadership Award and in 2012 CEO of The Year by PC.Com Reader's Choice Awards. He was conferred the 'ICT Personality of the Year' at the PIKOM Leadership Awards Night, in 2013 and awarded Tokoh ANSARA in 2014 and Tokoh Alumni UiTM in 2016.

Dato' Sri Shazalli is currently Chairman of GITN Sdn Bhd and director of VADS Berhad (VADS) and Webe Digital Sdn Bhd (webe), TM Group of Companies, as well as Board of Trustees of Yayasan Telekom Malaysia. He is also the Chairman of PR1MA Communications Sdn Bhd and a Board member of Perbadanan PR1MA Malaysia. He was also one of the seven members in the task force led by Performance Management & Delivery Unit (PEMANDU) to oversee Proton Holdings Bhd transformation plan.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- VADS Berhad
- Malaysia Airlines Berhad
- Malaysia Aviation Group Berhad
- Kuala Lumpur Business Club

BOARD COMMITTEE

Member of Board Tender Committee (BTC)

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 3 meetings (since his appointment as MD/Group CEO)

ATTENDANCE AT PREVIOUS AGM

Not Applicable

OTHER INFORMATION

Executive Director nominated by MOF Inc.



Who Governs Us



DATUK BAZLAN OSMAN

EXECUTIVE DIRECTOR/DEPUTY GROUP CHIEF EXECUTIVE OFFICER
NON-INDEPENDENT EXECUTIVE DIRECTOR

- Age **53**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **25 April 2008**
- Date of Last Re-election **28 April 2016**

QUALIFICATIONS

- Fellow of the Association of Chartered Certified Accountants (ACCA), UK
- Chartered Accountant of the Malaysian Institute of Accountants
- Member of Issues Committee, Malaysian Accounting Standards Board from 2006 until 2010
- Attended the IMD Programme for Senior Executives
- Attended the Strategic Leadership Programme, University of Oxford's Saïd Business School in 2013

WORKING EXPERIENCE

Datuk Bazlan began his career as an auditor with a public accounting firm in 1986. He served the Sime Darby Group, holding various finance positions in its corporate offices in Kuala Lumpur, Singapore and Melaka from 1989 to 1993. He then had a stint with American Express Malaysia Berhad before joining Kumpulan FIMA Berhad in 1994, where he was subsequently appointed Senior Vice President (SVP), Finance/ Company Secretary. He joined Celcom in 2001 as the SVP, Corporate Finance and Treasury and was appointed the Chief Financial Officer (CFO) in 2002 prior to his appointment as TM Group CFO in 2005.

As Group CFO, Datuk Bazlan has developed a strong financial team, responsible for critical investment decisions necessary for the Group to compete effectively in the dynamic market environment and create value to the stakeholders. Recognising his wealth of experience and strong leadership skills, he was then appointed as Deputy Group CEO on 1 April 2017.

As Deputy Group CEO, he is responsible for growing and delivering the business results consistent with the Company's vision. He oversees the operations of TM main business clusters namely TM Global, TM ONE and unifi, as well as IT&NT and Customer Experience divisions. He is the Chairman of Fiberail Sdn Bhd and sits on the board of several subsidiaries of TM Group including webe and VADS.

In 2016, Datuk Bazlan was awarded Best CFO (Malaysia) at the 10th Annual Alpha Southeast Asia Institutional Investor-Corporate Awards as well as CFO of the Year (Excellence in Financial Planning & Analysis) at the 5th Annual CFO Innovation Awards, on top of the many other accolades given to TM in the fields under his purview. In 2015, he was listed in the Global Telecoms Business 50 CFOs to Watch.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- VADS Berhad

BOARD COMMITTEE

- Member of BTC
- Member of Board Risk Committee (BRC)
- Member of Board Investment Committee (BIC)

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

Executive Director nominated by MOF Inc.



DATO' SRI DR MOHMAD ISA HUSSAIN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **59**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **30 October 2015**
- Date of Last Re-election **28 April 2016**

QUALIFICATIONS

- PhD in Finance, University Putra Malaysia
- Master of Business Administration (Finance), UKM
- Bachelor of Economics (Hons) (Applied Statistics), UM
- Post-graduate Diploma in Public Management, the National Institute of Public Administration (INTAN)

WORKING EXPERIENCE

Dato' Sri Dr Mohamad Isa began his career in 1983 as an Assistant Director in the Prime Minister's Department following which he was appointed as an Assistant Director at the Pahang State Economic Planning Unit in 1985. He then joined the Ministry of Finance, holding various positions, including Assistant Secretary in the Government Procurement Division from 1990 to 1995 and Senior Assistant Director of the Budget Management Division until 2000.

In 2004, Dato' Sri Dr Mohamad Isa assumed the position of Deputy Under-Secretary of Investment, MOF Inc. and Privatisation Division. He later moved to the Ministry of Transport Malaysia in 2008 as Deputy Secretary General (Operation) and was subsequently appointed as Interim Head of the Public Land Transportation Commission (SPAD) from 2009 to 2010. He returned to Ministry of Finance to serve as its Deputy Under-Secretary, Government Investment Companies (GIC) Division from 2010 to January 2015 and thereafter as Under-Secretary of the GIC Division. He is currently the Deputy Secretary General, Treasury (Investment).

Dato' Sri Dr Mohamad Isa also sits on the Board of several government-linked companies and agencies including Permodalan Felcra Sdn Bhd, Danaharta Nasional Sdn Bhd, Lembaga Pembangunan Langkawi (LADA) and Port Kelang Authority.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad
- Malaysia Airports Holdings Berhad
- Pos Malaysia Berhad
- Destini Berhad

Public Companies:

- Felcra Berhad
- Export-Import Bank of Malaysia Berhad
- Malaysia Airlines Berhad
- Malaysia Aviation Group Berhad
- Syarikat Jaminan Kredit Perniagaan Berhad
- Syarikat Jaminan Pinjaman Perumahan Berhad
- DanaInfra Nasional Berhad
- K.L International Airport Berhad
- 1Malaysia Sukuk Global Berhad
- Wakala Global Sukuk Berhad
- Aset Tanah Nasional Berhad
- Pelaburan Hartanah Berhad

BOARD COMMITTEE

- Member of BTC
- Member of BIC

ATTENDANCE AT BOARD MEETING IN 2017

Attended 5 out of 6 meetings.

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

Non-Executive Director nominated by MOF Inc.



NIK RIZAL KAMIL
TAN SRI NIK IBRAHIM KAMIL
 NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **45**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment
 - Appointed as **Non-Independent Non-Executive Alternate Director on 29 November 2012**
 - Redesignated as **Non-Independent Non-Executive Director (NINED) on 30 April 2017**
- Date of Last Re-election **Not Applicable**

QUALIFICATIONS

- Master of Science (Finance), London Business School
- Bachelor of Science (Hons) Economics & Accounting, University of Bristol, UK
- Fellow Chartered Accountant (FCA) with the Institute of Chartered Accountants in England and Wales (ICAEW)

WORKING EXPERIENCE

Nik Rizal started his professional career in 1995 as an accountant/auditor with Coopers & Lybrand, UK before returning to Kuala Lumpur in 1997 where he joined Arthur Anderson & Co as an Assistant Manager in Audit and Business Advisory. He joined RHB Sakura Merchant Bankers Bhd in 2000 as an Assistant Manager in its corporate finance department before subsequently joining Sarawak Shell Berhad in 2001 as its Principal Sector Planner of Business Planning in Miri, Sarawak.

He was then posted to Shell Regional Exploration & Production, Singapore as a Senior Business Analyst. During this period, Nik Rizal also assumed the role of Head of Planning and Economics for Shell Deepwater Borneo Ltd, Brunei. In 2007, he was posted to Shell Corporate Global HQ in London as a Senior Downstream Financial Analyst for Shell's Global Lubricants and B2B businesses. He was with Shell Malaysia Limited as Finance Manager in Special Projects before joining Khazanah Nasional Berhad (Khazanah) in April 2011, and is currently its Executive Director of Investments.

Nik Rizal is also a director of Cenviro Sdn Bhd and Xeraya Capital Sdn Bhd, wholly-owned subsidiaries of Khazanah.

DIRECTORSHIP

- Listed Issuers:**
- Telekom Malaysia Berhad

Public Companies:

None

BOARD COMMITTEE

- Member of Board Audit Committee (BAC)
- Member of Nomination and Remuneration Committee (NRC)
- Member of BTC
- Member of BIC
- Chairman of LTIP Committee, a sub-Committee of the NRC

ATTENDANCE AT BOARD MEETING IN 2017

Attended 3 out of 3 meetings
 (since his redesignation as NINED)

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

- Previously Alternate Director to Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin before being redesignated as NINED.
- Nominee of Khazanah, major shareholder of TM.



TUNKU DATO' MAHMOOD FAWZY
TUNKU MUHIYIDDIN
 SENIOR INDEPENDENT DIRECTOR

- Age **59**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment
 - Appointed as **NINED on 25 April 2008**
 - Redesignated as **Independent Non-Executive Director (INED) and appointed as Senior Independent Director on 30 April 2017**
- Date of Last Re-election **28 April 2016**

QUALIFICATIONS

- BA (Hons) Business Studies, Polytechnic of Central London, UK
- Masters in Business Administration, University of Warwick, UK
- Diploma in Marketing, Chartered Institute of Marketing
- Member of the Malaysian Institute of Management
- Member of the Malaysian Institute of Corporate Governance

WORKING EXPERIENCE

Tunku Mahmood is a professional company director and is currently Chairman of Deutsche Bank (Malaysia) Berhad and Hong Leong MSIG Takaful Berhad.

He was previously a board member of Malaysia Airports Holdings Berhad, Hong Leong Islamic Bank Berhad, Pos Malaysia Berhad, SapuraKencana Petroleum Berhad/Kencana Petroleum Berhad, Ethos Capital One Sdn Berhad, Federation of Investment Managers Malaysia, Energy Africa Limited, and Engen Limited in South Africa.

Tunku Mahmood draws on a wealth of governance, management and cross border experience in telecommunications, investment management and private equity activity, oil and gas, marine and aviation logistics, corporate advisory, banking and financial services, across several international locations including the UK, New Zealand, South Africa and Malaysia.

DIRECTORSHIP

- Listed Issuers:**
- Telekom Malaysia Berhad

Public Companies:

- Deutsche Bank (Malaysia) Berhad
- Hong Leong Assurance Berhad
- Hong Leong Asset Management Berhad
- Hong Leong MSIG Takaful Berhad

BOARD COMMITTEE

- Non-Executive Chairman of NRC
- Member of BIC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



Who Governs Us



DATUK ZALEKHA HASSAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **64**
- Gender **Female**
- Nationality **Malaysian**
- Date of Appointment
 - Appointed as **NINED** on **9 January 2008**
 - Redesignated as **INED** on **1 June 2011**
- Date of Last Re-election **30 April 2015**

QUALIFICATIONS

- Bachelor of Arts (Hons), UM
- Attended the Advanced Management Program, Harvard Business School, Harvard University, USA

WORKING EXPERIENCE

Datuk Zalekha began her career in the civil service in 1977 as an Assistant Director in the Training and Career Development Division of the Public Service Department. She continued to serve the Government in numerous ministries including the Ministry of Health, Ministry of Social Welfare and Ministry of National Unity and Social Development.

She later joined the Ministry of Finance (MOF) in 1997 as Senior Assistant Director of the Budget Division and continued to serve in various capacities including with the Government Procurement Division. She was the MOF's Deputy Secretary-General (Management) until her retirement in May 2011. She was then appointed as MOF's Procurement Advisor from June 2011 until June 2013.

Datuk Zalekha also sits on the Board of Menara Kuala Lumpur Sdn Bhd, a wholly-owned subsidiary of TM.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad
- Malaysia Airports Holdings Berhad

Public Companies:

None

BOARD COMMITTEE

- Non-Executive Chairman of BTC
- Member of NRC
- Member of BAC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



DAVIDE GIACOMO FEDERICO BENELLO @ DAVID BENELLO
INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **64**
- Gender **Male**
- Nationality **Italian**
- Date of Appointment **21 November 2011**
- Date of Last Re-election **28 April 2016**

QUALIFICATIONS

- Bachelor in Mathematics, University of Oxford, UK
- Masters in Mathematics, University of Oxford, UK
- Masters in Business Administration, Harvard University, USA

WORKING EXPERIENCE

David was previously a Director and Leader of UK Telecom, Media and Technology Practice at McKinsey & Company, a firm he joined in August 1982. He retired in June 2011 and is currently a Director Emeritus at the firm. He has extensive consulting experience in telco engagements, mainly in Europe (in addition to the US and Asia) on corporate strategy, ICT strategy and business turnarounds as well as operations/customer service.

In the early years of his career, he served as a Senior at Arthur Andersen and a Second Lieutenant at Scuola Militare Alpina, Aosta, Italy.

David is an Independent Director of Sirti SpA and Tungsten Corporation plc, a company listed on the Alternative Investment Market (AIM) Exchange in London. He is also the Chairman of V-Nova Ltd, a leading provider of video compression technology.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

None

BOARD COMMITTEE

- Member of the LTIP Committee, a sub-Committee of the NRC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



DATUK SERI FATEH ISKANDAR TAN SRI DATO' MOHAMED MANSOR

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **50**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **7 October 2013**
- Date of Last Re-election **26 April 2017**

QUALIFICATIONS

- Bachelor of Commerce/Law (Hons), University of Queensland, Australia
- Master of Business Administration, University of Queensland, Australia

WORKING EXPERIENCE

Datuk Seri Fateh Iskandar is currently the Group Managing Director and CEO of Glomac Berhad (Glomac). He first joined Glomac Group of Companies in 1992 and was appointed its Group Executive Director in 1997. In 2004, he was promoted to Group Managing Director and, on 24 March 2009, was given the additional role of CEO. Prior to joining Glomac, he practised law in Australia before returning to Malaysia to serve Kumpulan Perangsang Selangor Berhad.

Datuk Seri Fateh Iskandar is the President of the Real Estate & Housing Developers' Association (REHDA) Malaysia and Immediate Past Chairman of REHDA Selangor Branch. He is a former Deputy Chairman of the Malaysian Australian Business Council (MABC) and Chairman of Gagasan Badan Ekonomi Melayu (GABEM), Selangor Branch, a body that promotes entrepreneurship among Malays in the country. He is the Co-Chair of the Special Taskforce to Facilitate Business (PEMUDAH) - Legal & Services and was also a member of PEMUDAH Selangor Group. Currently, he also sits as an Advisory Board member of the Kuala Lumpur City Hall appointed by his Majesty the King since 2014. He was one of the founding Directors of Malaysia Property Incorporated, a partnership between the Government and the private sector to promote investments in Malaysian property to foreigners.

Datuk Seri Fateh Iskandar was awarded the 2012 Malaysian Business Award in Property by the Malay Chamber of Commerce, and the Outstanding Entrepreneurship Award at the 2013 Asia Pacific Entrepreneurship Awards. In 2014, he was awarded the Global Leadership Award 2014 for Commercial Property Development and the Brand Laureate Icon Award by the Leaders International and the Asia Pacific Brands Foundation, respectively. In 2015, he was awarded the Global Leadership Award 2015 – Masterclass Development of the Year by the Leaders International Organisation. In October 2016, he was awarded the World Business Leader by the World Confederation of Businesses (The Bizz 2016).

Recently he was awarded the Special Achievement Award, Entrepreneur of the Year 2017 by the Asia Pacific Entrepreneur Association.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad
- Glomac Berhad
- Axis Reit Managers Berhad

Public Companies:

- VADS Berhad

BOARD COMMITTEE

- Non-Executive Chairman of BIC
- Member of BRC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



GEE SIEW YOONG

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **68**
- Gender **Female**
- Nationality **Malaysian**
- Date of Appointment **13 March 2014**
- Date of Last Re-election **26 April 2017**

QUALIFICATIONS

- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountant
- Attended the International Banking Summer School (IBSS) Cambridge, Massachusetts, USA

WORKING EXPERIENCE

Gee began her career in 1969 with PriceWaterhouse, leaving in 1981 as Senior Audit Manager and Continuing Education Manager. She then joined the Selangor Pewter Group as Group Financial Controller and was seconded to the USA from 1983 to 1984 as CEO of Senaca Crystal Inc., a company in the group, which was undergoing reorganisation under Chapter XI of the US Bankruptcy Code. She later became the Personal Assistant to the Executive Chairman of Lipkland Group from 1985 until 1987.

Gee was then appointed by BNM as the Executive Director and Chief Executive of Supreme Finance (M) Berhad, a financial institution undergoing rescue and reorganisation under the supervision of BNM until the successful completion of the reorganisation in 1991. She later joined Land & General Berhad as its Group Divisional Chief, Management Development Services in 1993 before joining Multi-Purpose Capital Holdings Berhad as Executive Assistant to the Chief Executive in 1997 until 1999. During this period, she also served as a Director of Multi-Purpose Bank Berhad, Multi-Purpose Insurans Berhad and Executive Director of Multi-Purpose Trustee Berhad.

Gee has been appointed as an Independent Non-Executive Director to several public listed companies since 2001.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad
- Tenaga Nasional Berhad
- Sapura Energy Berhad

Public Companies:

None

BOARD COMMITTEE

- Non-Executive Chairman of BAC
- Member of BRC
- Member of BIC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



Who Governs Us



TUNKU AFWIDA
TUNKU DATO' A. MALEK
INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **52**
- Gender **Female**
- Nationality **Malaysian**
- Date of Appointment **28 April 2016**
- Date of Last Re-election **26 April 2017**

QUALIFICATIONS

- Bachelor of Science (Hons) in Economics and Accountancy, City University, UK
- Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of Malaysian Institute of Accountants

WORKING EXPERIENCE

Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was CEO and ED of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd.

She is currently a Director and shareholder of Asia Equity Research Sdn Bhd, a company licensed by the Securities Commission of Malaysia to provide advisory services in corporate finance including compliance and funding advisory related services.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad
- Gamuda Berhad
- Lafarge Malaysia Berhad
- i-VCAP Management Sdn Bhd (Management company of a listed exchange-traded funds. Listed as an issuer of listed securities)

Public Companies:

- Export-Import Bank of Malaysia Berhad

BOARD COMMITTEE

- Non-Executive Chairman of BRC
- Member of BAC
- Member of NRC
- Member of BIC
- Member of the LTIP Committee, a sub-Committee of the NRC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



BALASINGHAM A. NAMASIWAYAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

- Age **66**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **28 April 2016**
- Date of Last Re-election **26 April 2017**

QUALIFICATIONS

- Bachelor of Science (Hons) in Electrical Engineering, Portsmouth Polytechnic, UK
- Diploma in Electrical Engineering, Technical College, Kuala Lumpur
- Fellow of the Institution of Engineers, Malaysia
- Member of the Institution of Engineering and Technology, UK
- Professional Engineer of the Board of Engineers, Malaysia

WORKING EXPERIENCE

Balasingham has been involved in the telecommunications industry for more than 30 years. He began his career with the then Jabatan Telekom Malaysia in 1972 as Technical Assistant, and thereafter served in various capacities, covering planning, implementation, maintenance and control of key technical projects and operational aspects within TM Group. His last position in TM was General Manager of Specialised Network Services, responsible for the marketing, implementation, operation and maintenance of networks for various customers.

In 2003, he was appointed CEO of Fiberail Sdn Bhd (Fiberail), TM's joint venture company, which involved in the deployment of fibre cable and sale of fibre products. In 2008, he was appointed Business Advisor of Fiberail, assisting the Board and Management in all aspects of the company, until the expiry of his contract in June 2009. He was previously a director of TIMEdotCom Berhad from July 2009 until mid April 2016.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

None

BOARD COMMITTEE

- Member of NRC
- Member of BAC
- Member of BRC
- Member of BTC
- Member of the LTIP Committee, a sub-Committee of the NRC

ATTENDANCE AT BOARD MEETING IN 2017

Attended all 6 meetings

ATTENDANCE AT PREVIOUS AGM

Yes



DATO' ASRI HAMIDIN @ HAMIDON

**NON-INDEPENDENT NON-EXECUTIVE
ALTERNATE DIRECTOR**

- Age **52**
- Gender **Male**
- Nationality **Malaysian**
- Date of Appointment **6 November 2015**
- Date of Last Re-election **Not Applicable**

QUALIFICATIONS

- Masters in Economy, Hiroshima University, Japan
- Diploma in Public Administration, INTAN
- Bachelor in Economics (Hons), UM
- Completed Harvard Premier Business Management Programme

WORKING EXPERIENCE

Dato' Asri began his career as an Assistant Director in the EPU of the Prime Minister's Department in 1994 before pursuing a Diploma in Public Administration at INTAN in 1996. He re-joined EPU in March 1996 and thereafter moved to the then Anti-Corruption Agency of Malaysia in April 1998, staying until March 2003. Later, while serving as an Administrator and Diplomatic Officer in the Public Service Department, Dato' Asri pursued his studies in Japan from December 2003 until April 2006. Upon his return in May 2006, he was appointed Principal Assistant Secretary in MOF and has held several other positions since, including Deputy Under-Secretary, Investment, MoF Inc. and Privatisation Division in the Social and Commercial sectors respectively. He was appointed the Under-Secretary, GIC Division, MOF in July 2015.

DIRECTORSHIP

Listed Issuers:

- Telekom Malaysia Berhad
- Bina Darulaman Berhad

Public Companies:

- Syarikat Perumahan Negara Berhad
- SME Bank Berhad
- DanaInfra Nasional Berhad
- GovCo Holdings Berhad
- Aset Tanah Nasional Berhad

BOARD COMMITTEE

Alternate member to Dato' Sri Dr Mohamad Isa Hussain in BTC and BIC

ATTENDANCE AT BOARD MEETING IN 2017

Not Applicable

ATTENDANCE AT PREVIOUS AGM

Not Applicable

OTHER INFORMATION

Alternate Director to Dato' Sri Dr Mohamad Isa Hussain, a nominee of MOF Inc.

Additional Information of the Board of Directors

Family Relationship : Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of TM.

Conflict of Interests : Save as disclosed, none of the Directors has any conflict of interests with TM.

Conviction for Offences : None of the Directors has any conviction for offences, other than traffic offences, for the past 5 years.

Public Sanction or Penalty : None of the Directors has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2017.



Profile of Company Secretaries



HAMIZAH ABIDIN
GROUP COMPANY SECRETARY

Female/47/Malaysian

Qualifications

- Bachelor of Law (Hons) from the International Islamic University of Malaysia
- Licenced Company Secretary since December 1998

Working Experience

Hamizah started her career in private legal practice in 1994 and was a qualified advocate and solicitor of the High Court of Malaya. She subsequently joined TM in 1996 and promoted to Assistant General Manager in 2007. She was appointed as Joint Secretary on 15 July 2011 and thereafter promoted to General Manager of Company Secretarial Unit of Group Legal, Compliance and Company Secretarial Division in 2012. She was made the Group Company Secretary of TM effective 1 January 2017, heading the Group Company Secretarial Division. Hamizah has more than 20 years corporate experience attending to company secretarial and compliance matters.



ZAITON AHMAD
JOINT SECRETARY

Female/57/Malaysian

Qualifications

- Chartered Secretary of The Institute of Chartered Secretaries and Administrators (ICSA), UK
- Associate member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) since 1993

Working Experience

Zaiton started her career in a public listed company in 1984 and has over 30 years' experience in corporate secretarial matters. She joined TM in 1991 as an Assistant Company Secretary and was named as one of the Joint Secretaries of TM in 1996. She was promoted to Assistant General Manager in 2006 and remains as Joint Secretary of TM and its Group of Companies.

Who Leads Us

- PROFILE OF KEY SENIOR MANAGEMENT (as at 5 March 2018)



DATO' SRI MOHAMMED SHAZALLI RAMLY

MANAGING DIRECTOR/
GROUP CHIEF EXECUTIVE OFFICER
NON-INDEPENDENT EXECUTIVE
DIRECTOR

Male/56/Malaysian

Date of Appointment

1 May 2017

Qualifications

- Bachelor of Science (Marketing) from Indiana University, Bloomington, Indiana, USA
- MBA from St. Louis University, Missouri, USA

Working Experience

Dato' Sri Shazalli, was appointed the Managing Director/Group Chief Executive Officer (MD/Group CEO) of TM effective on 1 May 2017. He spent his early education in MARA Junior Science College (MRSM) and Universiti Teknologi MARA (UiTM), Perlis.

He was most recently the Regional CEO and Corporate Executive Vice President (EVP) for Axiata Group Berhad's South East Asia operations, after being promoted from his previous position as the CEO and director of Celcom Axiata Berhad (Celcom), a position he held from 1 September 2005 until 31 August 2016.

Prior to his appointment at Celcom, he was the CEO of NTV7, Malaysia's 7th terrestrial TV station, a position he held for 8 years since its launch in 1998. Dato' Sri Shazalli left his mark in the Fast Moving Consumer Goods industry, prior to his service with NTV7. He served Unilever (1987 – 1993) both in Malaysia and Indonesia, followed by the Malaysian Tobacco Company (MTC) and British American Tobacco (BAT) (1993 – 1996) both in Malaysia and the UK. He also served as ASTRO Marketing Director for two years where he pioneered the launch of ASTRO digital satellite services in Malaysia.

Dato' Sri Shazalli is currently Chairman of GITN Sdn Bhd and director of VADS Berhad (VADS) and Webe Digital Sdn Bhd (webe), TM Group of Companies, as well as Board of Trustees of Yayasan Telekom Malaysia. He is also the Chairman of PR1MA Communications Sdn Bhd and a Board member of Perbadanan PR1MA Malaysia. He was also one of the seven members in the task force led by PEMANDU to oversee Proton Holdings Berhad transformation plan.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- VADS Berhad
- Malaysia Airlines Berhad
- Malaysia Aviation Group Berhad
- Kuala Lumpur Business Club

Award/Recognition

- Awarded the Business Leadership Award 2009: Telecommunications Sector
- Masterclass CEO of the Year by Malaysia Business Leadership Award in 2010
- CEO of The Year by PC.Com Reader's Choice Awards in 2012
- Conferred the 'ICT Personality of the Year' at the PIKOM Leadership Awards Night in 2013
- Awarded the Tokoh ANSARA 2014
- Awarded the Tokoh UiTM Alumni 2016

Read more about Dato' Sri Shazalli in Profile of Directors on page 91.



Who Leads Us



DATUK BAZLAN OSMAN

EXECUTIVE DIRECTOR/DEPUTY
GROUP CHIEF EXECUTIVE OFFICER
NON-INDEPENDENT EXECUTIVE
DIRECTOR

Male/53/Malaysian

Date of Appointment

- 1 May 2005 as Group CFO
- 25 April 2008 as ED

Qualifications

- Fellow of the Association of Chartered Certified Accountants (ACCA), UK
- Chartered Accountant of the Malaysian Institute of Accountants
- Member of Issues Committee, Malaysian Accounting Standards Board from 2006 until 2010
- Attended the IMD Programme for Senior Executives
- Attended the Strategic Leadership Programme, University of Oxford’s Saïd Business School in 2013

Working Experience

Datuk Bazlan began his career as an auditor with a public accounting firm in 1986. He served the Sime Darby Group, holding various finance positions in its corporate offices in Kuala Lumpur, Singapore and Melaka from 1989 to 1993. He then had a stint with American Express Malaysia Berhad before joining Kumpulan FIMA Berhad in 1994, where he was subsequently appointed Senior Vice President (SVP), Finance/Company Secretary. He joined Celcom in 2001 as the SVP, Corporate Finance and Treasury and was appointed the Chief Financial Officer (CFO) in 2002 prior to his appointment as TM Group CFO on 1 May 2005 and ED on 25 April 2008.

As Group CFO, Datuk Bazlan has developed a strong financial team, responsible for critical investment decisions necessary for the Group to compete effectively in the dynamic market environment and create value to the stakeholders. Recognising his wealth of experience and strong leadership skills, he was then appointed as Deputy Group CEO on 1 April 2017.

As Deputy Group CEO, he is responsible for growing and delivering the business results consistent with the Company’s vision. He oversees the operations of TM main business clusters namely TM Global, TM ONE and unifi, as well as IT&NT and Customer Experience divisions. He is the Chairman of Fiberail Sdn Bhd and sits on the board of several subsidiaries of TM Group including webe and VADS.

Directorship

Listed Issuers:

- Telekom Malaysia Berhad

Public Companies:

- VADS Berhad

Award/Recognition

- Awarded Best CFO (Malaysia) at the 10th Annual Alpha Southeast Asia Institutional Investor-Corporate Awards in 2016
- Awarded CFO of the Year (Excellence in Financial Planning & Analysis) at the 5th Annual CFO Innovation Awards in 2016
- Listed in the Global Telecoms Business 50 CFOs to Watch in 2015

Read more about Datuk Bazlan in Profile of Directors on page 92.



NOR FADHILAH MOHD ALI
GROUP CHIEF FINANCIAL OFFICER

Female/47/Malaysian

Date of Appointment

15 May 2017

Qualifications

- Bachelor of Accounting (Hons) from International Islamic University, Malaysia
- Institute of Chartered Secretaries and Administrators (ICSA), UK
- Chartered Accountant of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Chartered Secretaries and Administrators
- Attended Strategic Leadership Programme at IMD Business School

Working Experience

Nor Fadhilah joined TM in August 1993 and has gathered more than 20 years of experience in strategy, corporate finance, mergers and acquisitions, business development; and business restructuring and transformation. She began her career in the professional services firm, PricewaterhouseCoopers prior to joining TM.

She was appointed as the Financial Controller of TM Group on 16 August 2015. At the same time, she continued holding another portfolio, as the General Manager (GM) of Financial Advisory and Business Development, Group Strategy, a position she held since April 2008.

Nor Fadhilah was assigned to cover the duties of the Group CFO on 1 April 2017 and assumed her current role as the Group CFO on 15 May 2017. She also oversees the operations of Support Business and other non-core subsidiaries of TM Group. She sits on the board of several subsidiaries of TM Group including Universiti Telekom Sdn Bhd, Tulip Maple Berhad and Hijrah Pertama Berhad.

Directorship

Listed Issuers:

None

Public Companies:

- Tulip Maple Berhad
- Hijrah Pertama Berhad



**DATO' KAIRUL ANNUAR
MOHAMED ZAMZAM**
CHIEF STRATEGY OFFICER

Male/54/Malaysian

Date of Appointment

1 February 2009

Qualifications

- Bachelor in Engineering Science from the University of Western Ontario, Canada
- MBA from Multimedia University (MMU), Cyberjaya
- Attended the Advanced Management Training programme at INSEAD

Working Experience

Dato' Kairul has over 20 years of experience in the telecommunications industry, beginning with the then Jabatan Telekom Malaysia in 1985 as a Human Resource Planning Executive. He has since held various positions in local access, switching and transmission networks. He was appointed GM of the Terengganu Operations Area in 1998 and then the Personal Assistant to the Group Chief Executive Officer in 2002. He was made GM of Corporate Affairs and later Vice President (VP), Consumer & Business Sales Division in TM Retail in 2004 before being appointed as CEO of Telekom Sales & Services Sdn Bhd in 2005. Dato' Kairul was appointed as Executive Vice President (EVP), Government in 2009 and became Chairman, Managed Account Council (MAC) on 7 September 2016, where under his stewardship,

Managed Account cluster has embarked on a transformation journey in becoming a single entity that focuses in delivering integrated business solutions and capturing new business opportunities. He assumed his current position as Chief Strategy Officer on 15 May 2017 where his portfolio include the Group's corporate and business strategy, regulatory and recently legal matters.

He sits on several subsidiaries of TM Group including as Chairman of VADS Lyfe Sdn Bhd.

Directorship

Listed Issuers:

None

Public Companies:

None



Who Leads Us



DATO' MOHD RAIS AZHAR
CHIEF TECHNOLOGY & INNOVATION OFFICER (CTIO)/
CHIEF INFORMATION SECURITY OFFICER (CISO)

Male/53/Malaysian

Date of Appointment
18 February 2018

Qualifications

- Bachelor of Science (Computer Science) from Indiana State University, USA
- Attended the Leading Digital Business Transformation programme at IMD Business School in Lausanne, Switzerland

Working Experience

Dato' Mohd Rais was appointed as CTIO effective 18 February 2018, and remains as CISO of TM since 1 January 2017.

As CTIO, Dato' Mohd Rais is responsible for Network, IT and overall technical delivery, fulfilment and assurance for TM Group. In addition to his position, he is responsible to strategize, formulate, direct and lead the implementation and operations of information security organization covering the information security strategy, architecture, governance, risk, compliance, development, threat intelligent and operations in order to ensure the confidentiality, integrity and availability of information assets protection for TM Group.

He was formerly the Deputy CTIO in 2017 and was appointed as VP of Network Architecture and Technology in 2010. He was instrumental in various transformation projects in TM including the national High Speed Broadband (HSBB) project launched in March 2010, offering the first nationwide triple-play services. He has vast experience in telecommunications industry of over 30 years and was one of the pioneer in establishing Corporate Information Superhighway (COINS) team, providing the first TM's Frame Relay service in 1997.

Dato' Mohd Rais is the Chairman of TM Technical Security Council and Telekom Research & Development Sdn Bhd. He also sits on the board of several other subsidiaries of TM Group.

Directorship

Listed Issuers:
None

Public Companies:
None



NOR SUHAIMI SULONG
ACTING CHIEF HUMAN CAPITAL OFFICER

Male/55/Malaysian

Date of Appointment
1 January 2018

Qualifications

- Diploma in Mechanical Engineering from MARA Institute of Technology
- Attended the MBA Programme at University of Wales, Cardiff/ITM

Working Experience

Suhaimi has over 20 years of experience in human resource (HR) management, having served in multinational corporations and reputable local companies across industries and countries where he was involved in the full spectrum of HR disciplines; ranging from organizational development, change and performance management, total rewards, industrial relations, employee engagement and talent development.

He joined TM Group in 2016 as the Chief People Experience Officer of webe, prior to his reassignment as the Chief People Experience Officer of TM ONE, one of the main business clusters in TM on 15 May 2017. Suhaimi was appointed to his current position as Acting Chief Human Capital Officer of TM on 1 January 2018 where he is responsible to lead the human resource management for TM Group.

Suhaimi started his career in IBM World Trade Corporation as Customer Engineer, and later, Sales Leader in the public sector. Suhaimi started as GM, HR for IBM WTC, Malaysia in 1996, and thereafter, Head of Total Compensation, HR for IBM ASEAN/South Asia. He was then promoted to Program Director & Head of Compensation Operations for IBM APAC, Tokyo. His last role with the multinational was Director, HR for IBM Malaysia. He later joined Maxis Berhad in October 2005 before joining Proton Holding Berhad and Mesiniaga Berhad prior to joining webe as the HR Leader.

Directorship

Listed Issuers:
None

Public Companies:
None

Award/Recognition

- Awarded the Golden Globe Tigers Award for excellence in HR Leadership in April 2015.
- Recognised as one of the Top 50 Best HR Leaders in Malaysia.



**MOHAMAD MOHAMAD
ZAIN**
CHIEF PROCUREMENT OFFICER

Male/54/Malaysian

Date of Appointment

1 September 2014

Qualifications

- Chartered Insurance Practitioner
- Associate Member of the Chartered Insurance Institute, UK
- Member of the Society of Fellow Chartered Insurance Institute, UK
- Diploma in General Insurance from the Australian Insurance Institute
- Master of Communications Management from the University of Strathclyde Glasgow, UK

Working Experience

Mohamad gained vast experience in insurance services while serving a UK-based insurance company for six years, including as Officer in charge for agency and direct client underwriting, claim management and re-insurance, designing insurance for credit card company and bank assurance, serving both domestic and Multinational Corporation clients.

He joined TM in 1993 as Assistant Manager and has been tasked with managing the corporate insurance programme and implementing the Enterprise Risk Management programme for TM in 2001. In 2007, he was appointed GM entrusted with an expanded portfolio of Group Business Assurance covering Enterprise Risk Management, Revenue Assurance, Fraud Management, Insurance Management, Credit Management Policy & Monitoring, Corporate Compliance, Business Continuity Management and Enterprise Business Management. He was promoted to VP, Group Business Assurance, a position he held from 2011 until his appointment as Chief Procurement Officer on 1 September 2014.

Directorship

Listed Issuers:

None

Public Companies:

None



AHMAD AZHAR YAHYA
CHIEF DIGITAL OFFICER

Male/53/Malaysian

Date of Appointment

2 August 2004

Qualifications

- Bachelor of Science in Electrical Engineering from Oklahoma State University, USA
- Attended the Strategic IQ programme at University of Harvard Business School, USA

Working Experience

Ahmad Azhar began his career in 1987 as an engineer in Agilent Technologies (formerly known as Hewlett Packard). He then joined management consulting firm, Accenture in 1990 servicing a portfolio of clients in Malaysia, Asia and the Middle East in various industries from communications to high technology, oil and gas and the public sector. His experience includes strategic planning and change management, business and operations support systems, enterprise resource management, revenue and customer relationship management. He became a Partner at Accenture in 2000 before joining TM as Group Chief Information Officer on 2 August 2004. He was later appointed TM's Programme Director for the HSBB Project in 2008, and contributed to the successful launch of unifi in March 2010. He assumed various positions in TM Group; Chief Strategy Officer from 15 July 2010 until December 2011, CEO of VADS

from 1 January 2012 until 31 January 2015 and Chief Customer Advocate (CCA) on 1 February 2015. Ahmad Azhar was appointed as Chief Digital Officer on 4 October 2016 to head TM's Digital Transformation initiatives throughout the Group whilst continue to serve as CCA. He ceased to be CCA on 15 May 2017 to fully focus on his role as Chief Digital Officer. He sits on the board of several subsidiaries including VADS and Telekom Applied Business Sdn Bhd (TAB). He also assumed the role of CEO of TAB since 5 September 2017 to oversee the company's operations focusing on providing secure business solutions and as trusted information security services provider.

He was appointed a member of the Advisory Board of the National Library, an organisation under the purview of the Tourism Ministry on 26 July 2017.

Directorship

Listed Issuers:

None

Public Companies:

- VADS Berhad



Who Leads Us



AHMAD ISMAIL
CHIEF CORPORATE AND
REGULATORY OFFICER

Male/57/Malaysian

Date of Appointment

1 October 2010

Qualifications

- Bachelor of Science (Hons) in Electrical & Electronic Engineering from the University of Aston in Birmingham, UK
- MBA from MMU, Cyberjaya

Working Experience

Ahmad joined TM in 1983 as an Assistant Controller of Telecom and held various engineering positions before engaging in more managerial responsibilities. During his more than 30 years with the Group, he has been Managing Director of TM International Bangladesh Limited (now known as Robi Axiata Limited), GM Business Strategy, TM Retail and Chief Strategy Officer of Telco Strategy Division, the CEO of Telekom Sales and Services Sdn Bhd as well as State GM for Penang and Melaka. He then assumed the position of VP, Customer Service Management in 2008 and was later appointed VP, Programme and Performance Management Office in July 2010. Ahmad was appointed the Chief Corporate and Regulatory Officer on 1 October 2010.

Directorship

Listed Issuers:

None

Public Companies:

None



AZHAR OMAR
CHIEF CUSTOMER EXPERIENCE
OFFICER

Male/52/Malaysian

Date of Appointment

15 August 2017

Qualifications

- Bachelor of Business in Business Management, Thames Valley University, UK

Working Experience

Azhar joined TM in 1994 as a Sales and Marketing Executive in the International Division and later became one of the pioneers in the activation of TM Net Sdn Bhd, a wholly owned subsidiary of TM. He held various positions in TM Net, spearheading the product marketing development before moving into sales position prior to his promotion to GM Sales, Terengganu from April 2007 until September 2010. He was subsequently appointed as State GM of Pulau Pinang in October 2010. Azhar served as State VP of Johor from March 2014 until August 2017, and has been instrumental in developing TM as the key ICT provider serving government agencies, large and multinational corporations in the southern region. He assumed his current position as Chief Customer Experience Officer on 15 August 2017, responsible for the overall customer experience initiatives in TM.

Directorship

Listed Issuers:

None

Public Companies:

None



HAZIMI KASSIM
CHIEF INTERNAL AUDITOR

Male/53/Malaysian

Date of Appointment

1 November 2011

Qualifications

- Bachelor of Arts in Accounting from the University of Canberra, Australia
- Certified Practising Accountant (CPA) of the Australian Society of Certified Practising Accountants (ASCPA)
- Chartered Member of the Malaysian Institute of Accountants
- Chartered Member of the Institute of Internal Auditors Malaysia (IIAM)
- Attended the Wharton Advanced Management Programme at the University of Pennsylvania, USA
- Attended the Executive Development Programme on Executing Strategy for Results at London Business School, UK

Working Experience

Hazimi has vast experience in external and internal audit, financial and management accounting, corporate finance as well as strategic planning, business development and investor relations.

His wide-ranging career to date has spanned across audit and consulting services to securities, insurance, banking and telecommunications companies. He was the Chief Audit Executive in the Internal Audit Division of Malayan Banking Berhad and later Head of Corporate and Strategic Planning prior to joining TM as the Chief Internal Auditor on 1 November 2011.

Hazimi is also the alternate chairman of the Corporate Compliance Steering Committee.

Directorship

Listed Issuers:

None

Public Companies:

None



IMRI MOKHTAR
EXECUTIVE VICE PRESIDENT, unifi

Male/44/Malaysian

Date of Appointment

1 October 2014

Qualifications

- First Class Honours in Electronics Engineering with Management Studies from University College London (UCL), UK
- Attended various leadership programmes by Harvard Business School and Cambridge Judge Business School

Working Experience

Imri is the EVP of unifi, TM's premier convergence brand, responsible for the end-to-end management of the converged portfolio comprising phone, broadband, mobile, TV, wifi and value-added services for TM's home and SME customers.

He brings over 20 years of experience in business strategy and operations from the communications and media industry, to lead this portfolio that contributes to 44% of TM's revenue. He first started his career with TM in 1996 and re-joined TM in 2005. He had served in various positions in TM including as VP, Programme and Performance Management Office and EVP, Consumer. Prior to re-joining TM in 2005, Imri was at a pay-TV operator in Malaysia and before that a consultant at a global management consulting firm.

Imri sits on the boards of several subsidiaries within the purview of unifi business cluster including webe and as Chairman of TM Info-Media Sdn Bhd and Telekom Sales & Services Sdn Bhd.

Directorship

Listed Issuers:

None

Public Companies:

None



Who Leads Us



AZIZI A HADI
EXECUTIVE VICE PRESIDENT,
TM ONE

Male/54/Malaysian

Date of Appointment

15 June 2011

Qualifications

- MBA from Universiti Putra Malaysia
- Bachelor of Science in Electrical Engineering from Wichita State University, USA
- Attended leadership programme at Harvard, Cambridge and Stanford universities

Working Experience

Azizi has more than 20 years of experience in the telecommunications industry, which includes engineering, operations, sales, product development and management in both fixed and mobile operator. He started his career with the Royal Malaysian Army as an Engineering Officer in the Royal Signals Regiment from 1987 to 1996, where his main responsibilities were in planning tactical radio networks, evaluating new equipment and training. He was also the Country Business Development Manager of Global One Communications, an international telecommunications service provider where he was entrusted with the country's MNC sales in 1999. Prior to joining TM in 2006, he was with Maxis Communications Berhad as the Head of Broadband Business Unit and in Network Engineering and Operations.

His career in TM started as GM, Technology & Innovation, TM Retail. He was then promoted to VP of Retail Product on 1 February 2009 where he was responsible for the development and commercialisation of TM's products and services. He then became the EVP, SME in June 2011 before assuming his role as Chief Operating Officer in 2014 and later ED and CEO of webe on 1 August 2016. Azizi was subsequently appointed EVP, TM ONE on 15 May 2017, to lead TM ONE through the transformation journey to improve TM's market share as a fully integrated digital enabler enterprises and public sector. He is also a board member of several subsidiaries under the purview of TM ONE including VADS.

Directorship

Listed Issuers:

None

Public Companies:

- VADS Berhad



**MOHAMAD ROZAIMY
ABD RAHMAN**
EXECUTIVE VICE PRESIDENT,
TM GLOBAL

Male/46/Malaysian

Date of Appointment

1 July 2009

Qualifications

- Bachelor in Distributed Computing from the University of East London, UK
- Masters of Science in Technology Management from Staffordshire University, UK
- Attended technical and telecommunications training programmes at the AT&T School of Business and Technology and AT&T Bell Labs in New Jersey, USA
- Attended the Advanced Leadership Management Programme at the Madinah Institute of Leadership and Entrepreneurship, Saudi Arabia

Working Experience

Rozaimy has more than 19 years' experience in the telecommunications industry. He served AT&T as its Sales Director before joining TM in 2006 as the GM of Product Marketing. He was then appointed the EVP of TM Global on 1 July 2009, responsible for managing TM's global business and TM regional offices in the UK, USA, Hong Kong, Singapore and Australia.

Following the re-alignment of the Company's market segments in January 2013, Rozaimy has been spearheading the TM Global Wholesale cluster, overseeing the global and wholesale business operations.

He sits on several subsidiaries of TM Group under TM Global's purview including Fiberail Sdn Bhd and Fibrecomm Network (M) Sdn Bhd.

Directorship

Listed Issuers:

None

Public Companies:

None



**WAN AHMAD KAMAL
WAN HALIM**

*EXECUTIVE VICE PRESIDENT,
ENTERPRISE, TM ONE*

Male/54/Malaysian

Date of Appointment

1 June 2014

Qualifications

- Bachelor of Science in Computer Science & Statistics from Monash University, Melbourne, Australia

Working Experience

Wan Ahmad Kamal has over 25 years of professional experience specializing and focusing on the Go-to-Market, Business Development, Channel Management and Integrated Marketing roles across the Enterprise and Service Provider markets in Malaysia and South East Asia.

His career began in 1986 as an Assistant Director of Planning and Research Division with the Ministry of Education Malaysia until 1990 and later moved to Kumpulan Guthrie Berhad (now known as the Sime Darby Group) in a Sales Management role. In 1994, he joined Sapura Systems Malaysia, a joint venture (JV) company between Sapura Telecommunications Berhad and Hewlett Packard Sales Malaysia, where he served in Sales, Channel, Marketing and Product Management roles.

In 2000, he joined Juniper Networks Inc. as the Country Manager, Malaysia and was made the Sales Director for Malaysia, Indonesia and Vietnam in 2002. He was later appointed as Managing Director Malaysia in 2007 and promoted as Managing Director ASEAN in 2012 responsible for Juniper Networks Sales and Operation in South East Asia.

Wan Ahmad Kamal joined TM on 1 June 2014 as EVP, Enterprise. He sits on the board of several subsidiaries of TM Group including VADS.

He is also a member of the Industry Advisory Panel of University Teknologi Petronas (UTP) since February 2016.

Directorship

Listed Issuers:

None

Public Companies:

- VADS Berhad



**JEREMY KUNG ENG
CHUANG**

*EXECUTIVE VICE PRESIDENT,
NEW MEDIA/CEO TM NET SDN BHD*

Male/54/Malaysian

Date of Appointment

15 July 2010

Qualifications

- Honours Degree in Computer Science from the University of Ottawa, Canada

Working Experience

Jeremy joined TM Group on 20 May 2008 as the CEO of TM Net Sdn Bhd and was appointed EVP Consumer on 1 February 2009. He assumed his current position as EVP, New Media effective 15 July 2010 whilst remaining as CEO of TM Net Sdn Bhd.

Jeremy has extensive experience in both technical and management role when he was in IT-related business, media, telecommunication and B2C businesses. Prior to joining TM Group, he was with PCCW Limited, Hong Kong and its related group of companies as SVP of Customer Advocacy and Chief Information Officer of PCCW Global, a business unit within PCCW that provides global telecom services. His media experience was garnered during the seven years that he was with satellite television broadcaster and content provider Star TV. Prior to that, he was with J. Walter Thompson for three years. His wide experience has helped him in ensuring the successful launch of TM's IPTV service in 2010 to what it is today.

Within TM Group, he has also managed TM Consumer Group in the early days of HSBB plus continuing to expand and improve TM video and content services, unifi TV.

Directorship

Listed Issuers:

None

Public Companies:

None



Who Leads Us



MOHD ROSLAN MOHD RASHIDI
HEAD OF PUBLIC SECTOR, TM ONE

Male/51/Malaysian

Date of Appointment
15 May 2017

Qualifications

- Degree in Electrical Engineering from Columbia University, New York City, USA in 1984
- Master's Degree in Communications Management from University of Strathclyde, Scotland in 2008

Working Experience

Roslan joined TM in 1990 as a Switching Engineer and in 1995 seconded to Multimedia Development Corporation (MDeC) to develop network masterplan for Multimedia Super Corridor (MSC) and later spearheaded the development of Smart School Flagship and Smart Card Flagship Applications.

From 1997-2005, he served in TM Net Sdn Bhd as Chief Technology Officer and was instrumental in re-engineering TM Net network and developing its Data Centre and Streamyx services.

In 2005, he was appointed CEO of Meganet Communications Sdn Bhd, a JV company between TM and NTT Japan, focusing on System Integration and Intelligent Building Management System (IBMS). In 2007, he was tasked to draft and develop

Iskandar Development Region (IDR) masterplan with Iskandar Regional Development Authority and other stakeholders. He was then appointed as TM Johor State VP, where he was instrumental in putting TM's presence in Iskandar Puteri, the starting point for TM's direct involvement in Iskandar Malaysia's development.

Roslan served as CEO of GITN Sdn Bhd (GITN) in 2014. He was promoted to his current role as TM's Head of Government (now known as Public Sector) on 15 May 2017 to have more effective role in managing the government sector in a broader context while continues to serve as CEO of GITN until 1 March 2018.

Directorship

Listed Issuers:
None

Public Companies:

None



IZLYN RAMLI
VICE PRESIDENT, GROUP BRAND AND COMMUNICATION

Female/47/Malaysian

Date of Appointment
1 October 2010

Qualifications

- Masters in Business Administration (Distinction) from City University (Cass) Business School, London, UK specialising in Strategic Management of Technology and E-Business
- Bachelor of Science (Hons) in Economics from University College London, UK

Working Experience

Izlyn started her career in 1992 at PricewaterhouseCoopers before moving to BzW Capital as an investment analyst. She joined TM in 1998 and served 10 years in Group Strategy and Planning. From 2006 until 2008, she was also appointed Special Assistant to TM Group Chairman, as key policy liaison officer for national and international fora and organisations, including APEC, APEC Business Advisory Council and United Nations Global Alliance, focused on ICT Development and ICT for Development. Following the TM demerger in 2008, Izlyn moved to Axiata Group Berhad and was promoted to head the Corporate Communication Division. She was a key member of the Axiata rebranding team, and was also key in crafting Axiata's

Corporate Responsibility Strategy. Izlyn returned to TM as VP, Group Corporate Communication on 1 October 2010 and was reassigned with an expanded role as VP, Group Brand and Communication effective 1 June 2014.

Directorship

Listed Issuers:
None

Public Companies:

None

Award/Recognition

- Awarded one of the Most Influential Brand Leaders at the World Brand Congress 2016.
- Awarded for Women Leadership at the Golden Globe Tigers Awards 2015.
- Listed in the Global Telecoms Business Industry's Top 50 Chief Marketing Officers (CMOs) to Watch in 2015.



**MOHARMUSTAQEM
MOHAMMED**

CHIEF EXECUTIVE OFFICER
WEBE DIGITAL SDN BHD (webe)

Male/42/Malaysian

Date of Appointment

15 May 2017

Qualifications

- LL.B from the University of Kent Canterbury, UK
- Postgraduate Diploma in Advance Legal Studies from City University London
- Called to the Bar of the High Court of England & Wales by Gray's Inn in 2000

Working Experience

In a career spanning over 15 years, Mohar has worked in roles comprising business unit leadership, product marketing, strategy and major account leadership. He began his career as an Advocate & Solicitor with Shearn Delamore & Co from January 2001 to December 2003.

Prior to joining TM in 2011, he served DiGi Telecommunication Sdn Bhd from September 2003. He started his career in Digi as an executive in the Project Planning & Control, Technology Division. He was then appointed as Head of Compliance & Strategic Implementation in Network Development before moving to Pricing & Strategy, Product Management. In July 2008, he ventured into marketing and served as Head of Postpaid and thereafter as the Head of Prepaid. He then proceeded to head DiGi's Segment Marketing before capping his career with the company as the Head of Market Operations & Commercial Partnerships in November 2011.

He first served the TM Group in 2011 as GM of Business Integration in New Media. He then became Head of Mass Market Marketing Operations in 2013, where he was

responsible for the planning and execution of all products and services within TM's mass market portfolio and ensuring that revenue and customer satisfaction goals were met.

Mohar was promoted to VP of Mass Market Marketing Operations in 2014, where he shared overall responsibility for ensuring marketing targets and correlating success parameters for the Mass Market portfolio were met, before appointed to his current role as the CEO and ED of webe on 15 May 2017.

As CEO, Mohar is responsible for all aspects of webe's operations including TM's digital mobility services provider and Centre of Excellence in Digital, Mobility and Design Thinking. He is tasked with driving webe's role as TM's mobility arm in delivering new value-added digital services while TM moves beyond connectivity services and strengthens its position as Malaysia's Convergence Champion.

He also sits on the boards of a few other subsidiaries of TM Group under unifi business cluster.

Directorship

Listed Issuers:

None

Public Companies:

None



NIZAM ARSHAD

CHIEF EXECUTIVE OFFICER, VADS
BERHAD/CHIEF TECHNOLOGY
OFFICER, TM ONE

Male/53/Malaysian

Date of Appointment

15 July 2017

Qualifications

- Bachelor in Computer Engineering from Case Western Reserve University, Cleveland, Ohio, USA

Working Experience

Prior to joining TM, Nizam has had several roles in systems support and solution management with global companies including Nixdorf Computer, Ericson AB, IBM Inc and Sun Microsystems Inc. He joined TM in 2007, where he was appointed as GM for IT Architecture to look into migration of all legacy systems. He was later appointed as VP, Group Information Technology (IT) in 2008 spearheading TM IT's transformation to support TM's Fibre to the Home (FTTH) rollout programme. He was also tasked to lead the digital initiative to oversee the optimisation of business processes within network strategy, development and operations and the systems needed to support TM Digital Transformation.

Nizam was appointed CEO of VADS on 15 May 2017. As part of the realignment of TM ONE organization, he has been assigned as Chief Technology Officer of TM ONE and remains as CEO and director of VADS.

Directorship

Listed Issuers:

None

Public Companies:

- VADS Berhad

Additional Information of the Key Senior Management (KSM)

Date of appointment : Date he/she was appointed to be KSM.

Family Relationship : Save as disclosed, none of the KSM has any family relationship with any Director and/or major shareholder of TM.

Conflict of Interests : Save as disclosed, none of the KSM has any conflict of interests with TM.

Conviction for Offences : None of the KSM has any conviction for offences, other than traffic offences, for the past 5 years.

Public Sanction or Penalty : None of the KSM has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2017.




Corporate Governance Overview

VIEW FROM THE CHAIRMAN


Your Board strongly uphold the highest standards of corporate governance that honours integrity, transparency, accountability and responsible business conduct. The Board is ultimately responsible to shareholders for all our activities: for delivering our strategy and financial performance in the long-term interests of the Company; for efficiently using our resources and having regard to social, environmental and ethical matters.



**TAN SRI DATO' SERI
DR SULAIMAN MAHBOB**
CHAIRMAN



AUDIT COMMITTEE (BAC)



Chairperson
Gee Siew Yoong

We play an oversight role, reviewing the quality of financial information and providing an unbiased review of effectiveness and efficiency in the Group's internal control systems.




NOMINATION AND REMUNERATION COMMITTEE (NRC)




Chairperson
Tunku Dato' Mahmood Fawzy
Tunku Muhiyiddin

Our key objectives are in relation to the nomination, appointment, assessment, remuneration and compensation of the Board and pivotal members of management.



RISK COMMITTEE (BRC)



Chairperson
Tunku Afwida
Tunku Dato' A. Malek

We focus on risks issues and assist the Board in overseeing a sound and robust enterprise risk management framework and policy for TM Group.

The Board confirmed that the Integrated Annual Report (IAR), taken as a whole, to be fair, balanced and comprehensive. The processes including financial controls and reporting, and risk management, which underpin and support our confidence in making this statement are long-established and embedded into our business. In addition, the Best Practice Committee and the Board Audit Committee (BAC) have reviewed the narrative sections of the IAR to ensure it contains all necessary disclosures to fairly present the Company's and the Group's financial condition and results of operations.

The Board is very collaborative and collegiate; honest and open debate is evidence at all Board meetings. The Board understands the increasing importance which corporate culture plays in delivering long-term business and economic success and this will be an area of focus for the Board. We act with integrity and we see this during the Board discussions, and how this cascades through the business from the leadership. We are very proud of TM's brand and are focused on protecting its integrity for the future.



TENDER COMMITTEE (BTC)



Chairperson
Datuk Zalekha Hassan

We consider all procurement proposals based on the approved Limits of Authority in line with the Board's delegation of power.



INVESTMENT COMMITTEE (BIC)



Chairperson
Datuk Seri Fateh Iskandar
Tan Sri Dato' Mohamed Mansor

Our role is to review, evaluate and recommend to the Board, Management's recommendations on strategic equity investment and divestment proposals as well as proposals on TM Group's properties.

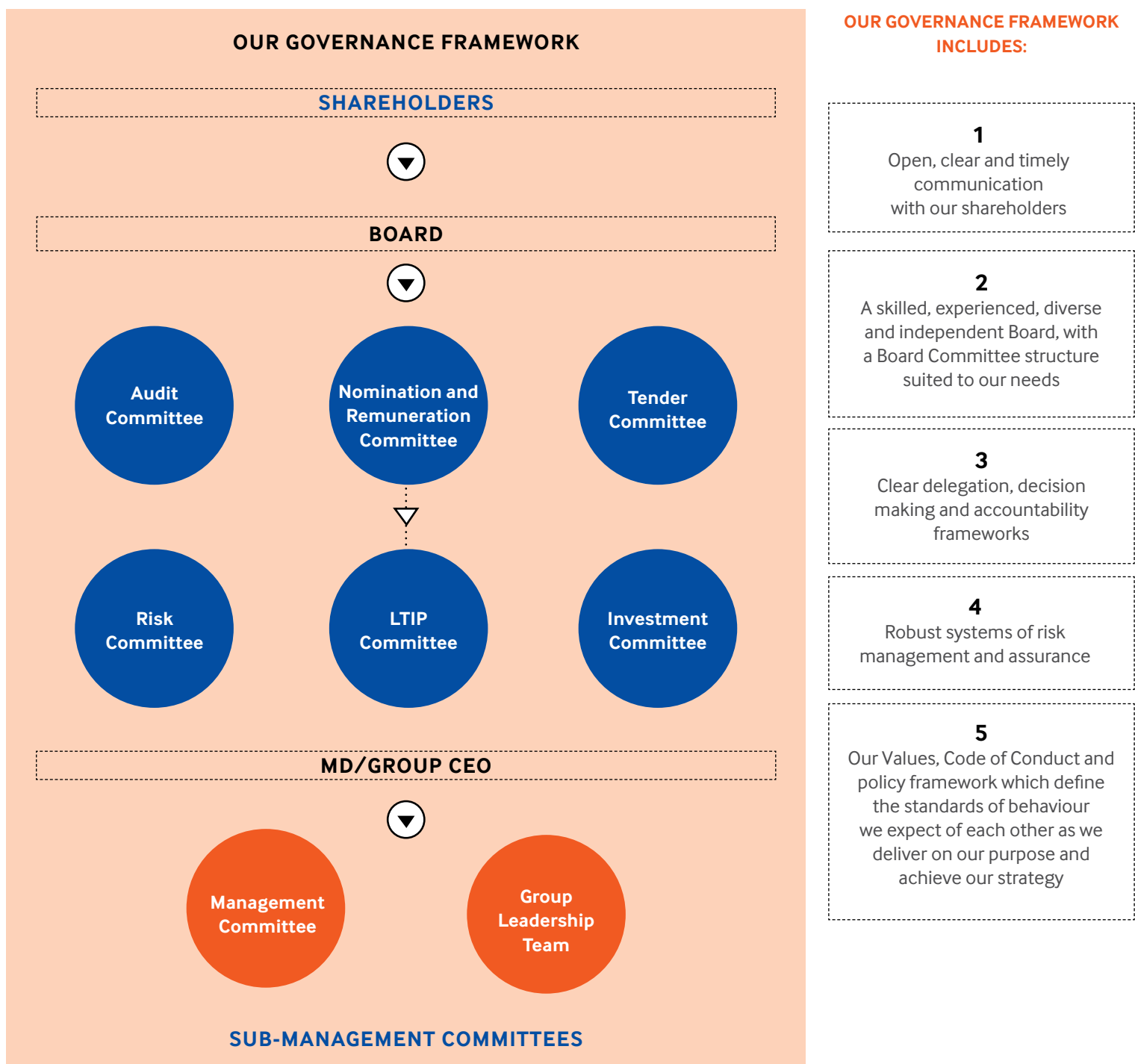
Board Committees' Terms of Reference can be found online at www.tm.com.my



OUR GOVERNANCE MODEL AND FRAMEWORK

Our governance model has been based on relevant requirements of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities), Malaysian Code on Corporate Governance 2017 (MCCG 2017), Corporate Governance Guide 2017 (CG Guide), Corporate Disclosure Guide, Green Book on Enhancing Board Effectiveness, international best practices and standards, in addition to being benchmarked against the ASEAN Corporate Governance (CG) Scorecard.

The Board approves the Group’s governance framework where specific powers of the Board are delegated to the relevant Board Committees, contributing their specialist skills to key areas such as financial information review, human capital management, internal controls and risk management as well as governance, procurement and investment matters, and the Managing Director (MD)/Group Chief Executive Officer (Group CEO) as depicted below:



The Governance Model is supported by the Limits of Authority (LoA) Matrix of TM Group and Business Policy and Governance (BPG). Issues and decisions reserved for the Board are evidently identified in the Tier 1 LoA which provides empowerment of the Board, BTC, Executive Directors (EDs) and Top Management. The LoA Matrix and BPG are reviewed as and when required, to adapt to the complexity of the business and to reflect TM's key business policies and governance across key function areas throughout the organisation.

Following the release of the MCGG 2017 by the Securities Commission (SC) in April 2017, the Board Nomination and Remuneration Committee (NRC) and the Board in May 2017 have considered the preliminary gap analysis prepared by Management on the comparison between the CG practices in the Company and the standards as set out in the MCGG 2017. The Board agreed that the Company has subscribed to all 12 Intended Outcomes with some deviations on the Practices promulgated in the MCGG 2017. The Board acknowledged the importance of honouring the CG substance which embodies the tenet to good governance.

This CG Overview Statement made reference to the three key CG principles as set out in the MCGG 2017, which are:



The statement is to be read together with the CG Report 2017 of the Company which is available on the Company's website at www.tm.com.my. The CG Report provides the details on how the Company has applied each Practice as well as the departures and alternative measures in place within the Company during the financial year 2017.

We are pleased to present our application of the Principles of MCGG 2017 throughout this statement. We hope the information will help you to understand how your Board runs the Company, manages risks, monitors internal controls, and how decisions have been made.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

Your Board acknowledged the legal framework on its primary responsibilities and key duties as contained in the Companies Act 2016 (CA 2016) as well as the principles and practices enumerated in MCGG 2017. It assumes responsibilities for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. Directors have fiduciary duties to act in good faith and exercise reasonable care, skill and diligence to safeguard the interest of the Company as well as ensuring high ethical standards are applied throughout the TM Group. Board activities are structured to assist the Board in achieving its goal on management oversight, to support and advise the EDs and Management Team within a transparent governance framework.

In discharging its roles and responsibilities, our Board is mindful of the need to protect the interests of all stakeholders. Dedicated Board Committees have been established with clear Terms of Reference (ToR) comprising Directors who have committed their time and effort as members to facilitate the effective discharge of these responsibilities.

The Board takes collective responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight.

With the new leadership appointed in May 2017, a session was held with the Board in the third quarter, to deliberate on the Group's business direction, strategy and business plan which remain unchanged save for our execution model translated as the PERFEXE10. Each aspect of the strategies and implementation is assessed to ensure the plans are executed and any adjustments or recourse made would still lead toward the desired targets.

In the 2017 Board Effectiveness Evaluation (BEE), the Board has assessed its performance on execution of Board Responsibilities including General Responsibilities, Strategic Planning, Performance Management, Risk Management and Internal Controls, Human Capital Management and CG. The Board agreed that on the overall, it has performed extremely well considering the challenges faced in 2017. The Board provided good strategic guidance and monitoring of management performance. The Board was able to stay focus and maintained its course with the help of the various committees. The Board nonetheless agreed that further improvements are required in the process of business performance and it need to spend

additional focus in human capital management to ensure effective and smooth implementation of strategic goals and business plan for value creation. The Board remains committed to improve its overall organisational and Directors' individual contributions for the Group's sustainability.

Board Charter

The Board Charter is a comprehensive reference document for Directors in relation to the Board's role, powers, duties and functions. It outlines processes and procedures for the Board and its committees in discharging their stewardship effectively and efficiently on matters relating to the Board and its processes. Our Board Charter is continuously reviewed and updated to maintain its relevance to current rules and regulations. This review forms part of the annual exercise under the Board Performance Improvement Programme (BPIP), which includes an assessment of the Board's objectives, roles and responsibilities to ensure consistency of governance practices and adherence to the relevant rules and regulations.

In February 2017 and most recently in February 2018, the Board Charter has been enhanced to encompass the changes subsequent to the reviews of the CA 2016, Main LR of Bursa Securities, Guidelines accorded by the Institute of Internal Auditors Malaysia under the Guidance for Effective Internal Audit Function and Principles under MCGG 2017. The Board Charter is accessible on our official website at www.tm.com.my.

Demarcation of Responsibilities between the Board, Board Committees and Management

The roles and responsibilities of the Board, Board Committees and Management are clearly demarcated in the Board Charter. The Board Charter also segregated the roles and responsibilities of the Chairman, Senior Independent Non-Executive Director (SID), Non-Executive Directors (NEDs) and EDs. Nevertheless, their respective functions remain mutually co-dependent enabling efficient and effective execution of their respective duties and responsibilities whilst ensuring an element of check and balance in the upper echelon of the Company.

Demarcation of these functions ensures the smooth running of the Company's business and operations. The separation of power further ensures that no one individual or group can dominate the decision-making process, thus safeguarding the equilibrium of power in the Company. Adherence to the separation of power accords a balance of authority within the Board, in line with best governance practice. Appropriate supervision and increased accountability of the Company's Management as a result of the adoption of this framework accord the necessary checks.

In instilling good CG practices in the Company, the Chairman leads the Board in ensuring Board effectiveness. The SID supports the Chairman in delivering this function.

The Role of Chairman

The Chairman's overarching responsibilities are to provide appropriate leadership to the Board and the Group and to ensure the Board fulfils its obligations to the Company. He also leads the Board in the oversight of Management.

The positions of the Chairman and CEO are held by different individuals with clear and distinct roles documented in the Board Charter.

Tan Sri Dato' Seri Dr Sulaiman Mahbob, TM's Chairman, is not an executive member of the Board and has never held

the position of the CEO of the Company. He has never been a part of TM Management, thus undue influence from past association is not a concern.

2017 BEE Review:

The Chairman was rated to be effective in leading the Boardroom, ensuring participation and inclusion of all Board members, by providing a consultative and open environment, for comprehensive discussion and decision making process. He has also managed meetings in a productive and timely manner.

The Role of SID

Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin was appointed as our new SID in place of Dato' Ibrahim Marsidi upon the latter's resignation as Director on 30 April 2017. Tunku Dato' Mahmood Fawzy formerly a nominee Director of our major shareholder, Khazanah Nasional Berhad (Khazanah), has relinquished his position as a Non-Independent Non-Executive Director (NINED) and was redesignated as an Independent Non-Executive Director (INED) on the same day, thus making him eligible for the SID position.

He was appointed by the Board as the new SID based on his experience with the Board, seniority amongst the directors, and strong comprehension of the Company's governance issues.

Tunku Dato' Mahmood Fawzy who satisfies the prescribed criteria, was the most appropriate candidate for the position. His collective tenure in the Company accords familiarity on the workings of the Board and its individual members. He is respected by the other Board members as he has consistently preserve the interest of the Company first and foremost throughout his tenure as director irrespective of his position.

He has a close and cordial relationship with the Chairman and on numerous occasion, had both formal and informal discussions on various issues of concern regarding the Company.

While discharging his function, he also maintains independence from Management.

As the SID, Tunku Dato' Mahmood Fawzy is responsible in leading confidential discussions with other NEDs who may have concerns which they believe have not been properly considered by the Board as a whole. These discussions are held as and when required or deemed necessary by the SID. As such, the Board is able to pursue a greater degree of independence, and NEDs can meet and actively exchange views in the absence of Management. During the year, a SID meeting was held on 21 November 2017 to discuss primarily on the Board issues and concerns.

As the SID, he will continue to provide an alternative communication avenue for shareholders and stakeholders to convey their concerns and raise issues so that these can be channelled to the relevant parties.

2017 BEE Review:

Based on the Self and Peer Evaluation Result, Tunku Dato' Mahmood Fawzy was rated above the Group and Peer average score evidencing his satisfactory performance as SID.



Subsequent to the retirement of Tan Sri Dato' Sri Zamzamzairani Mohd Isa on 30 April 2017, Dato' Sri Mohammed Shazalli Ramly has been seamlessly appointed as the new MD/Group CEO of the Company, ensuring continuity and stability to the Board and Management. The changes were exciting development that give rise to a frenzy of new challenges not only amongst the Top Management of TM but also within the whole Group. Together with Dato' Sri Shazalli, Datuk Bazlan Osman's promotion to a new designation i.e. ED/Deputy Group CEO brought in new ideas, fresh outlook and different perspective to the business and culture, that stimulate wider possibilities and new opportunities energising the Company to reach greater heights.

This revamp gives rise to a new and different dynamic amongst the Management, and between Management and Board. Steadily but surely both parties are finding their footings, understanding their new roles and discovering their respective positions in how to successfully work together for the Company. The Board agreed for a more robust engagement with Management in view of the challenges faced by TM Group.

The Role of EDs

As EDs, the MD/Group CEO and ED/Deputy Group CEO are in command of their collective and primary function which are to ensure the smooth running of the Company's day-to-day operations. Their primary areas of responsibilities are captured in their shared TM Group Scorecard which are reviewed, evaluated and approved by the Board.

The EDs are supported by several management committees for their operational and management duties. These forums provide the Senior Management team, including the heads of various divisions and departments, the platform to interact directly with each other, discuss, provide their views and review the objectives, strategies and operations of the Company on a regular basis.

With the review of the EDs positions, changes to the roles and responsibilities of the EDs have been duly implemented.

The two EDs have become a unit that works brilliantly as a team through their respective unique set of skills which are able to complement each other in strategizing and implementation of these strategies.

The Role of MD/Group CEO

MD/Group CEO is responsible for the implementation of broad policies approved by the Board and is required to report and discuss at Board meetings all material issues currently or potentially affecting the Group and its performance, including strategic directions, projects and regulatory developments.

Dato' Sri Shazalli is a visionary and an acute strategist. He has developed strong rapport with his Management team and steadily building trust with the Board.

2017 BEE Review:
Despite him only joining in May 2017, the MD/Group CEO has performed well. He has introduced an extra level of energy to Management and the workforce. The Board is to keep abreast of changes and new plans from inception of ideas and thoughts for better engagement between Board and Management.

The Role of ED/Deputy Group CEO

ED/Deputy Group CEO is responsible for the operational details and execution of business strategies. He has a larger scope in providing guidance and overseeing the performance targets that Top Management is to deliver. He continues to be responsible in developing initiatives and implementing strategies to improve the Group's overall performance.

2017 BEE Review:
The ED/Deputy Group CEO has seamlessly adapt to his new responsibilities. He has been assessed as to be good fit for the role, making successful transition and able to provide the continuity and link between Board and Management.

Fostering Commitment of the Board

Our Board has provided its commitment to the Company as evidenced by the attendance of Directors and time spent at Board and Committee meetings in pages 118 to 119.

The Board also agreed for Directors to notify the Company Secretary on their appointment and directorships in other companies for disclosure to the Board at Board meetings.

A schedule for TM Board and Committees' meetings was formulated and presented to the Board in August 2017 and shared with the Directors before the beginning of the year to ensure Directors' time commitment.

A total of six meetings were held during the year to discuss and decide on quarterly financial results, performance reports and various other matters based on predetermined agendas. A Board Retreat was held in November 2017 for the Company's strategic discussions, and the Group's Annual Operating Plan (AOP) and financial targets. Besides Board meetings, urgent decisions were approved via ten Directors' Circular Resolutions during the year.

The amount of time spent on Board and Committees' meetings for the financial year, is monitored via the BPIP.

All Directors complied with the minimum attendance of at least 50.0% of Board meetings held in the financial period pursuant to the Main LR. The Board has also agreed for the 50.0% minimum attendance requirement to be adopted for Board Committees, with attendance from alternate Directors considered for purposes of the attendance of the principal Director. Overall, all Committee members complied with the attendance threshold.

Decisions made at Board meetings are mostly on consensus or via majority vote, save for items reserved for the Special Shareholder as stipulated in the Company's Articles of Association (AA). Resolutions in writing by all the Directors or their alternates who may at the time be present in Malaysia shall be valid and effectual as if the resolution had been passed at a Board meeting. The AA of the Company is accessible on TM's official website at www.tm.com.my.

At the coming 33rd AGM, in conjunction with the adoption of the new Constitution of the Company, the Company is proposing to review the provision with regards to the requirement for a resolution in writing to be signed by all directors present in Malaysia in order to be valid and effectual. Due to the advancement of technology and having a foreign director on the Board, the requirement for only directors present in Malaysia to decide on an issue is redundant. The proposed review is to do away with geographical limitation and to allow the resolution to be valid when it is signed by majority of the Directors or their Alternates, of which are independent. This requirement, if passed would be similar to the requirement for directors' voting on issues at Board Meetings.

Corporate Integrity

The Company Directors' Code of Ethics is internalised in TM by the Directors. Through disclosure of interest at every meeting, Directors have implemented the principle relating to transparency, integrity and responsibility.

Apart from the above, the conduct of TM Board, Management, employees and all stakeholders of the Group is governed by the Code of Business Ethics (CBE), Procurement Ethics Rules and Practices, Integrity Pact, TM Anti-Corruption Guide and Whistleblower Policy. These policies and guidelines aim to uphold the value of Uncompromising Integrity. They underline the Company's intolerance towards corrupt practices and undesirable behaviour within and in relation to the Group, championed by the Group Internal Audit, Corporate Investigation Unit, Group Human Capital Management and Group Procurement. The codes and policies can be found on the Company's website.

In support of the Malaysian Anti-Corruption Commission's initiative to eradicate corrupt practices in the nation, TM and its employees signed the Corruption Free Pledge in November 2017.



BOARD OF DIRECTORS

Name	Meeting Attendance
Tan Sri Dato' Seri Dr Sulaiman Mahbob (Chairman)	6/6
Dato' Sri Mohammed Shazalli Ramly (MD/Group CEO)*	3/3
Datuk Bazlan Osman (ED/Deputy Group CEO)	6/6
Dato' Sri Dr Mohamad Isa Hussain	5/6
Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil*	3/3
Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin ^q	6/6
Datuk Zalekha Hassan	6/6
Davide Giacomo Federico Benello	6/6
Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor	6/6
Gee Siew Yoong	6/6
Tunku Afwida Tunku Dato' A.Malek	6/6
Balasingham A. Namasiwayam	6/6
Dato' Asri Hamidin @ Hamidon (Alt to Dato' Sri Dr Mohamad Isa Hussain)	-/-
Tan Sri Dato' Sri Zamzamairani Mohd Isa [^]	3/3
Dato' Ibrahim Marsidi [^]	3/3

* Appointed on 1 May 2017
 * Redesignated as NINED on 30 April 2017
^q Redesignated as INED on 30 April 2017
[^] Resigned on 30 April 2017

AUDIT COMMITTEE (BAC)

Chairperson
Gee Siew Yoong **8/8**

Members

- Tunku Dato' Mahmood Fawzy
Tunku Muhiyiddin* (Meeting Attendance 7/8)
- Datuk Zalekha Hassan (Meeting Attendance 8/8)
- Tunku Afwida Tunku Dato' A.Malek (Meeting Attendance 8/8)
- Balasingham A. Namasiwayam (Meeting Attendance 8/8)
- Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil* (Meeting Attendance 5/5)

Permanent Invitee

- Datuk Bazlan Osman (Meeting Attendance 8/8)

* Resigned on 31 December 2017
 * Appointed on 30 April 2017

Key Roles and Responsibilities
 To oversee the integrity of the financial statements in compliance with legal and regulatory requirements and applicable accounting standards. To assess the effectiveness of the Group's internal control framework as well as internal and external audit functions.



NOMINATION AND REMUNERATION COMMITTEE (NRC)

Chairperson
Tunku Dato' Mahmood Fawzy
Tunku Muhiyiddin **8/8**

Members

- Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil* (Meeting Attendance 3/3)
- Datuk Zalekha Hassan (Meeting Attendance 8/8)
- Tunku Afwida Tunku Dato' A.Malek (Meeting Attendance 6/8)
- Balasingham A. Namasiwayam (Meeting Attendance 8/8)

Permanent Invitees

- Dato' Sri Mohammed Shazalli Ramly (Meeting Attendance 2/3)
- Datuk Bazlan Osman (Meeting Attendance 1/3)

* Appointed on 30 April 2017

Key Roles and Responsibilities
 To identify and recommend new nominees to the Board, Board Committees and Boards of TM Group. To consider the ED and Pivotal Position's succession planning. To assist the Board in reviewing the Board's required mix of skills, experience and other qualities.








BOARD MEETINGS HOURS



31.00

Board Access to Management, Company Secretary, Information and External Experts

The Board has direct access to Senior Management with unrestricted and immediate access to information relating to the Group's business affairs. Relying on the integrity of the Company's Senior Management with access to expertise in telecommunication business, legal, accounting, financial, taxation, human capital and other advisors, the Directors are able to discharge their duties effectively to arrive at informed decisions.

 TENDER COMMITTEE (BTC)	 INVESTMENT COMMITTEE (BIC)	 RISK COMMITTEE (BRC)	 BOARD AND BOARD COMMITTEES MEETING CALENDAR																																																																													
<p>Chairperson Datuk Zalekha Hassan 9/9</p> <p>Members</p> <ul style="list-style-type: none"> Dato' Sri Mohammed Shazali Ramly* (Meeting Attendance 3/5) Datuk Bazlan Osman (Meeting Attendance 9/9) Dato' Sri Dr Mohamad Isa Hussain (Meeting Attendance 7/9) Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil (Meeting Attendance 9/9) Balasingham A. Namaswayam* (Meeting Attendance 5/5) <p>Alternate Director</p> <ul style="list-style-type: none"> Dato' Asri Hamidin (Q Hamidon (Meeting Attendance 1/1)) <p><i>* Appointed on 1 May 2017</i> <i>* Appointed on 30 April 2017</i></p> <p>Key Roles and Responsibilities To review the framework of TM's Procurement Policy and Procedures. To assist the Board in regulating the compliance of Management with TM's Procurement Policy and Procedures and consider procurement proposals based on LoA.</p> <p>22.20 BTC Meeting Hours</p>	<p>Chairperson Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor 6/6</p> <p>Members</p> <ul style="list-style-type: none"> Datuk Bazlan Osman (Meeting Attendance 6/6) Dato' Sri Dr Mohamad Isa Hussain (Meeting Attendance 6/6) Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil* (Meeting Attendance 4/4) Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin (Meeting Attendance 6/6) Gee Siew Yoong (Meeting Attendance 6/6) Tunku Afwida Tunku Dato' A.Malek (Meeting Attendance 6/6) <p>Alternate Director</p> <ul style="list-style-type: none"> Dato' Asri Hamidin (Q Hamidon (Meeting Attendance -/-)) <p><i>* Appointed on 30 April 2017</i></p> <p>Key Roles and Responsibilities To evaluate strategic equity investment and/or divestment proposals for recommendation to the Board. To also deliberate on proposals relating to TM Group's properties.</p> <p>4.00 BIC Meeting Hours</p>	<p>Chairperson Tunku Afwida 3/3 Tunku Dato' A.Malek*</p> <p>Members</p> <ul style="list-style-type: none"> Datuk Bazlan Osman (Meeting Attendance 4/4) Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin* (Meeting Attendance 3/3) Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor (Meeting Attendance 4/4) Gee Siew Yoong (Meeting Attendance 4/4) Balasingham A. Namaswayam (Meeting Attendance 4/4) <p><i>* Appointed on 30 April 2017</i> <i>* Appointed on 30 April 2017 and resigned on 31 December 2017</i></p> <p>Key Roles and Responsibilities To oversee the establishment and implementation of the risk management framework that is embedded into the culture, processes and structures of the Company and is responsive to changes in the business environment. To approve the risk management policies on behalf of the Board.</p> <p>9.00 BRC Meeting Hours</p>	<table border="1"> <thead> <tr> <th>Month</th> <th>BTC</th> <th>BIC</th> <th>BRC</th> <th>NRC</th> <th>BAC</th> <th>BOD</th> </tr> </thead> <tbody> <tr> <td>JAN</td> <td>- 19</td> <td>- 20</td> <td>- 23</td> <td>- 26</td> <td>- 23</td> <td>- 26</td> </tr> <tr> <td>FEB</td> <td>- 14</td> <td>- 14</td> <td>- 16</td> <td>- 20, 22</td> <td>- 20</td> <td>- 22</td> </tr> <tr> <td>MAR</td> <td>- 13</td> <td>- 22</td> <td>- 28</td> <td>- 28</td> <td>- 28</td> <td>- 28</td> </tr> <tr> <td>APR</td> <td>- 11</td> <td>- 19</td> <td>- 21</td> <td>- 25, 26</td> <td>- 21</td> <td>- 25, 26</td> </tr> <tr> <td>MAY</td> <td>- 16</td> <td>- 19</td> <td>- 19</td> <td>- 23</td> <td>- 19</td> <td>- 23</td> </tr> <tr> <td>JUN</td> <td>- 20</td> <td>- 20</td> <td>- 20</td> <td>- 20</td> <td>- 20</td> <td>- 20</td> </tr> <tr> <td>JUL</td> <td>- 19</td> <td>- 26</td> <td>- 26</td> <td>- 26</td> <td>- 26</td> <td>- 26</td> </tr> <tr> <td>AUG</td> <td>- 17</td> <td>- 17</td> <td>- 22</td> <td>- 28</td> <td>- 28</td> <td>- 29</td> </tr> <tr> <td>OCT</td> <td>- 11</td> <td>- 31</td> <td>- 31</td> <td>- 31</td> <td>- 31</td> <td>- 31</td> </tr> <tr> <td>NOV</td> <td>- 13</td> <td>- 14 & 21</td> <td>- 15</td> <td>- 16</td> <td>- 16</td> <td>- 21 & 22</td> </tr> </tbody> </table>	Month	BTC	BIC	BRC	NRC	BAC	BOD	JAN	- 19	- 20	- 23	- 26	- 23	- 26	FEB	- 14	- 14	- 16	- 20, 22	- 20	- 22	MAR	- 13	- 22	- 28	- 28	- 28	- 28	APR	- 11	- 19	- 21	- 25, 26	- 21	- 25, 26	MAY	- 16	- 19	- 19	- 23	- 19	- 23	JUN	- 20	- 20	- 20	- 20	- 20	- 20	JUL	- 19	- 26	- 26	- 26	- 26	- 26	AUG	- 17	- 17	- 22	- 28	- 28	- 29	OCT	- 11	- 31	- 31	- 31	- 31	- 31	NOV	- 13	- 14 & 21	- 15	- 16	- 16	- 21 & 22
Month	BTC	BIC	BRC	NRC	BAC	BOD																																																																										
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<p>TOTAL BOARD & BOARD COMMITTEES' MEETINGS HOURS</p>																																																																																
<p> 98.25</p>																																																																																

The Board also has full access to the Company Secretaries, qualified to act as company secretary under CA 2016, who are equipped with the skills and expertise to provide sound governance advice and ensure adherence to the relevant policies and procedures in regards to CG issues and corporate secretarial matters.

The Group Company Secretary, supported by the Joint Secretary and together with its team comprising Group Company Secretarial Unit and PLC Compliance Unit are responsible to provide comprehensive support and appropriate advice, guidance and compliance to the Board of TM Group



of companies on policies and procedures, rules and regulations and relevant laws as well as best CG practices. The inclusion of PLC Compliance Unit in November 2016 has further strengthen the Group Company Secretarial Division in ensuring adequate support and advice in regards to compliance with the Main LR and other CG best practices.

The Group Company Secretary continues to be the common denominator for all board and management committees' operation and overseeing the corporate secretarial functions of TM Group. Other than a source of information and advisor to the Board, the Group Company Secretary is also able to secure consistency in Board conduct and effective Boardroom practices throughout the Group.

Meeting materials are provided to the Board in a reasonable period prior to the meeting to accord the Directors sufficient time to assess the proposals or information anytime and anywhere. Materials are disseminated electronically and instantly via a secured electronic meeting management

system on average five calendar days prior to board meeting. In 2017, an average of six calendar days was recorded for distribution of Board papers save for Special Board Meetings for which a shorter timeframe has been agreed with the Board. Upon conclusion of meeting, Board minutes are circulated to the NEC and EDs within the agreed 5 working days. Commencing 2017, draft minutes of Board and Committees meetings were disseminated to Board via the electronic meeting management system throughout the year for review and information.

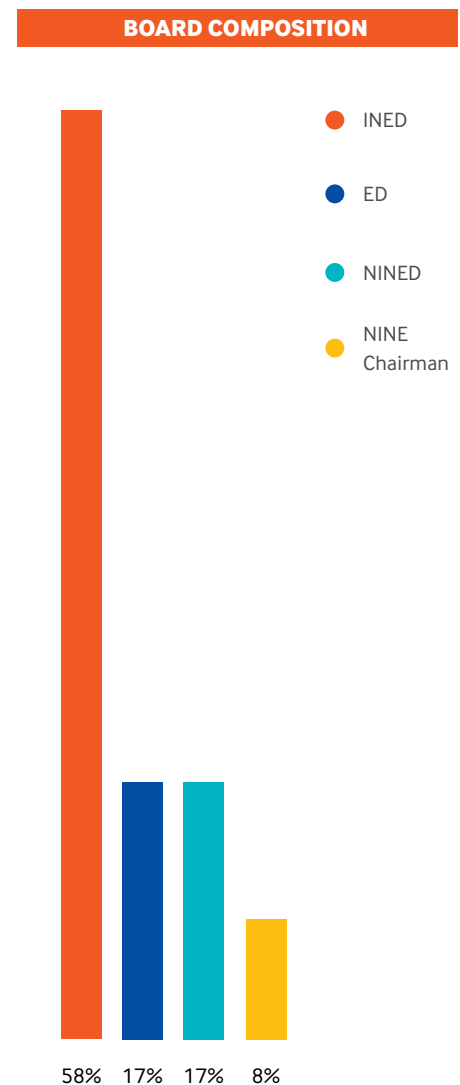
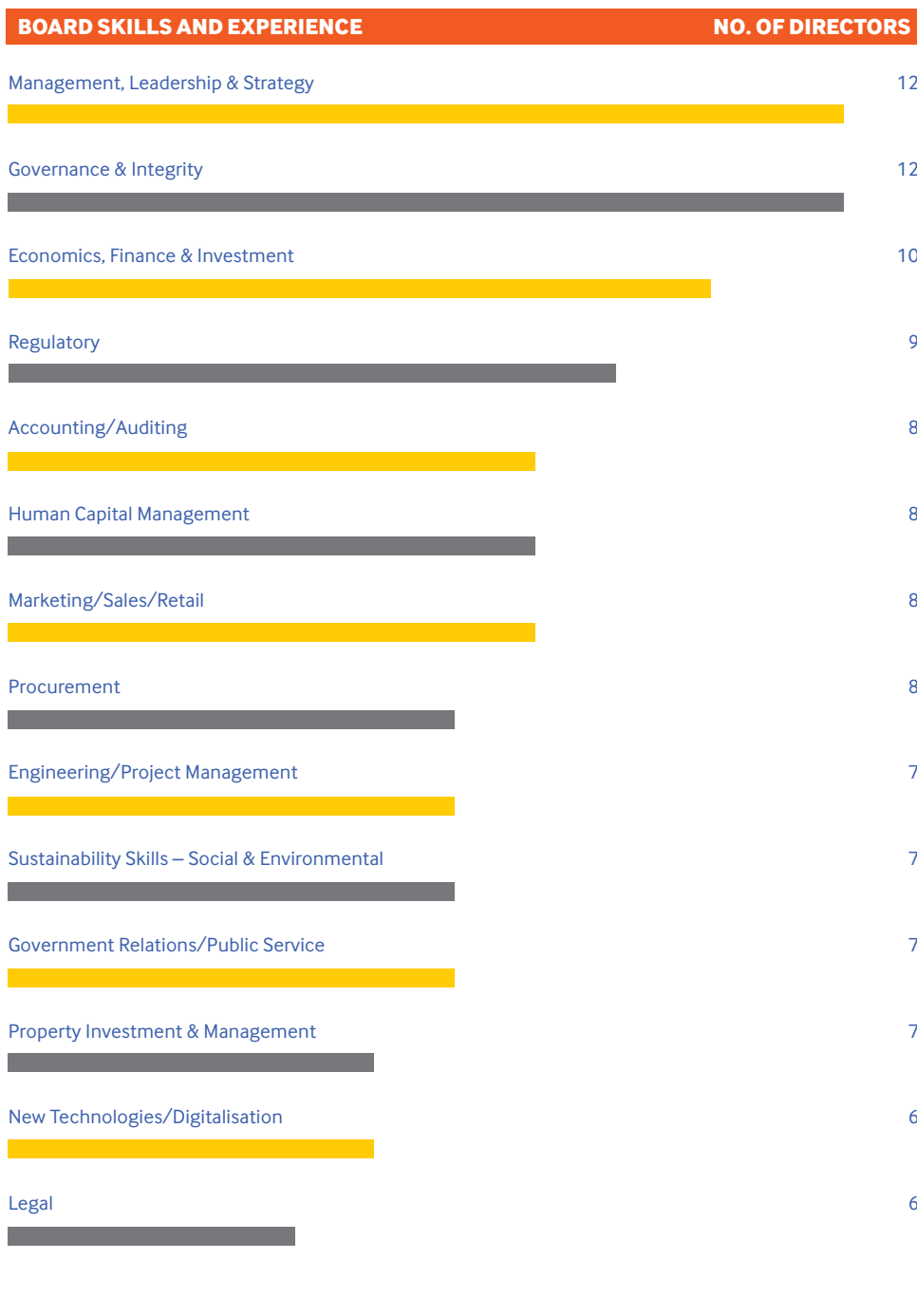
Other than the aforesaid internal resources, the Board and its Committees have at their disposal access to external expert advice at the expense of the Company, if they deem it necessary in ensuring performance of their duties. In October 2017, the NRC engaged an external expert to advise on the proposed review of the NEDs remuneration. Following thereto, the proposed review is presented at the 33rd Annual General Meeting (AGM) for the shareholders' consideration and approval.

BOARD COMPOSITION

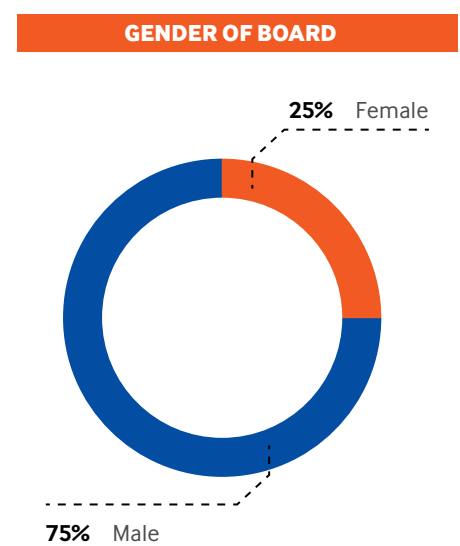
Your Board actively seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to enable it to discharge its collective responsibilities effectively and to be well equipped to help our Company capitalise the range of opportunities and navigate the challenges we face. In discharging its fiduciary duties and leadership functions, the Board recognises the need for it to continuously evolve as a dynamic Board in understanding and shaping the strategic direction of the TM Group, for the benefits of the Company, shareholders and other stakeholders.

As at the date of this statement, we have fulfilled the limit of our Directors of 12 as per Article 96 of the Company's AA. The Board comprises ten NEDs and two EDs. They are one Non-Independent Non-Executive (NINE) Chairman, seven INEDs, two NINEDs representing the interests of the Special and Major Shareholders, two Non-Independent Executive Directors (NIEDs) i.e. the MD/Group CEO and ED/Deputy Group CEO and one NINE Alternate Director. Other than the Special Shareholder, none of the other directors appoint an alternate director. Majority of our Directors are INEDs. Details of the Directors, including their qualifications and experience, together with details of their length of service, can be referred in the Profile of Directors section of this IAR.

REPRESENTING THE INTEREST OF TM'S SPECIAL AND MAJOR SHAREHOLDERS	PARTICIPATION ON BEHALF OF MANAGEMENT AND REPRESENTATIVE OF SPECIAL SHAREHOLDER	REPRESENTING MINORITY SHAREHOLDERS AND THE PUBLIC
<p>Tan Sri Dato' Seri Dr Sulaiman Mahbob</p> <hr/> <p>Dato' Sri Dr Mohmad Isa Hussain</p> <p><i>Dato' Asri Hamidin @ Hamidon (Alternate Director to Dato' Sri Dr Mohmad Isa Hussain)</i></p> <hr/> <p>Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil</p>	<p>Dato' Sri Mohammed Shazalli Ramly</p> <hr/> <p>Datuk Bazlan Osman</p>	<p>Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin</p> <hr/> <p>Datuk Zalekha Hassan</p> <hr/> <p>Davide Giacomo Federico Benello @ David Benello</p> <hr/> <p>Tunku Afwida Tunku Dato' A.Malek</p> <hr/> <p>Gee Siew Yoong</p> <hr/> <p>Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor</p> <hr/> <p>Balasingham A. Namasiwayam</p>



RANGE (AGE) IN YEAR 2017	NO. OF DIRECTOR	NO. OF ALTERNATE
40 – 49	1	-
50 – 59	6	1
60 – 69	5	-
70 and above	-	-
Total	12	1





No.	Director's Name	Age	Nationality/ Ethnicity	Date of Appointment	Tenure (Year (Y)) (Month (M))
Non-Independent Directors					
1.	Tan Sri Dato' Seri Dr Sulaiman Mahbob	69	Malaysian/Malay	12.01.2015	3 Y 2 M
2.	Dato' Sri Mohammed Shazalli Ramly	57	Malaysian/Malay	01.05.2017	10 M
3.	Datuk Bazlan Osman	53	Malaysian/Malay	25.04.2008	9 Y 11 M
4.	Dato' Sri Dr Mohamad Isa Hussain	59	Malaysian/Malay	30.10.2015	2 Y 5 M
5.	Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil	45	Malaysian/Malay	29.11.2012 – 29.04.2017 (Alternate Director) 30.04.2017 - present (NINED)	4 Y 5 M 11 M
Independent Directors					
6.	Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin	59	Malaysian/Malay	25.04.2008 – 29.04.2017 (NINED) 30.04.2017 - present (INED)	9 Y 11 M
7.	Datuk Zalekha Hassan	64	Malaysian/Malay	09.01.2008 - 30.05.2011 (NINED) 01.06.2011 - present (INED)	4 Y 5 M 6 Y 10 M
8.	David Giacomo Frederico Benello (Q David Benello	64	Italian	21.11.2011	6 Y 3 M
9.	Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor	50	Malaysian/Malay	07.10.2013	4 Y 6 M
10.	Gee Siew Yoong	68	Malaysian/ Chinese	13.03.2014	3 Y 11 M
11.	Tunku Afwida Tunku Dato' A.Malek	52	Malaysian/Malay	28.04.2016	1 Y 11 M
12.	Balasingham A. Namasiwayam	66	Malaysian/Indian	28.04.2016	1 Y 11 M
Alternate Director					
13.	Dato' Asri Hamidin (Q Hamidon	52	Malaysian/ Malay	06.11.2015	2 Y 5 M

During the year, the Board composition has changed as announced to Bursa Securities on 21 March 2017 and 26 April 2017.

Board Independence

Our Board recognises the important contribution that Independent Directors make to good CG. All Directors, regardless of their independent status, are required to act in the best interests of the Company and to exercise unfettered and independent judgment. We determine the independence of our Directors in accordance with the independence criteria in paragraph 1.01 of the Main LR. To date, all seven INEDs satisfy the independence criteria.

The NEDs are not involved in the day-to-day operation of the Company. Business transactions handled by the Company are free from their involvement other than for the final approval when the collective Board's decision is required, as the case may be. This mitigates risk of possible undue influence from third parties and allows the directors to exercise fair judgements and avoids any possible conflict of interest situations.

It has been the directors' practice to disclose their interest or any possible conflicts on any matter put forth for the board's consideration. Interested director shall recuse himself/herself when required and abstain from deliberation to allow unbiased and free discussion and decision making. Based on the BEE 2017, the directors are highly cognisant of their duties to disclose real and apparent conflict of interest situation and recuse themselves accordingly.

Having a diverse Board where the Directors varied in terms of their backgrounds, education and experiences, dissenting views or even unpopular opinions are a norm. With the change in the Company's leadership and composition of the Board, members are steadily familiarising themselves. However, the ingrained legacy on an open, healthy and thorough deliberation continued to be practised in reaching for a decision. With strong moral values and clear understanding of good governance practices, the Board continues to exercise objective judgement, uninfluenced by non-related factors, to act in the best interest of the Company and safeguarding stakeholders' interests. Even with the new Board composition, the BEE 2017 continues to indicate healthy Boardroom dynamics with good working relationships among the Board members.

Apart from the above criteria, the independence of all TM Directors, including the NEDs, is assessed annually through the BEE. The NRC, as part of its ToR, undertakes the annual review of INEDs' independence status and tables its findings and recommendations to the Board. The Directors' skills, experience, contributions as well as their backgrounds, economic and family relationships are considered. Thereafter, the NRC determines whether the Directors can continue to bring independent and objective judgement to the Board. The NRC also determines, according to character and judgement, whether there are relationships or circumstances which could affect, or appear to affect, the Independent Directors' judgement.

In ascertaining the independence status of the Directors, the Board continues to believe that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors are the primary concern of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his calibre, qualification, experience and personal qualities, particularly his integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's business and affairs in view of the continuous challenges faced by the Company.

The Board is steadfast in its opinion that although Practice 4.3 of the MCCG 2017 on the limitation of nine years cumulative tenure of INED is not formally adopted by the Company, it does not necessarily preclude the Board from adhering to the spirit of the principle. The Board adopted Practice 4.2 whereby any retention of INED who served for more than nine years is to be put up for shareholders' consideration. As at the proposed date of the AGM on 26 April 2018, none of our INED's tenure exceed the cumulative term limit of nine years.

The BEE 2017 result on peer evaluation has shown that the Directors have demonstrated their ability to act independently.

Board Diversity

The Board recognised the need to create a suitable environment to enable the Directors to interact more cohesively, ensure adequate checks and balances, especially in the challenging telecommunication industry. Having a diverse range of skills, background, expertise and experience are critical elements in ensuring a vibrant, effective and robust Board.

The Board acknowledges that there is always room to improve diversity and inclusivity in ensuring continuous efficient functioning of the Board and to address the challenges created by the constant change in the telecommunication technology. It also opines that creating a diverse Board involves a myriad of critical elements not limited to gender and/or age, but including experience and skills-sets as well as the members' background - education and personality, ethnicity/race, nationality, religious beliefs and cultural or socio-economic personal histories.

The Group's approach to ensure Board diversity is as stipulated in the Board Charter. The Board believes that the existing appointment process for selecting new Board member is adequate as it takes into consideration the required skills-set, experience, competency, regional and industry experience, and knowledge of the individual candidate, in addition to the candidate's gender and age and how these add to the Board's diversity.

Whilst the policy on 30% women director has yet to be formally adopted, the Board has agreed for initiatives in this regards are put in place including the increase of maximum Board members on the Board. Our Board agreed that currently the 25% female representation on the Board is appropriate for the Company but endeavour to improve the number of women directors on the Board, based on pre-determined skill sets and competencies.

Several prominent and suitable qualified women have also been identified and included in the Directors' Pool for possible nomination as part of the succession plan for TM Directors. Currently three women directors serve as INED on TM Board; Datuk Zalekha, Gee Siew Yoong and Tunku Afwida, are Chairpersons of BTC, BAC and BRC respectively.

On Management front, TM has continuously identify and selects qualified women in Senior Management to undergo training to equip them with relevant knowledge to serve as directors on the boards of TM's subsidiaries and associate companies. To-date there are 12 women serving as nominee directors on the Boards of TM Group. There has also been an improvement in the number of women employees in top senior positions from 1 to 3 out of 19 positions or 16% in 2017 as compared to 2016. The Board regards the said improvement as initial and consistent steps in cultivating talented women employees in TM as future directors in support of the government's initiative.

Board Appointment

The Company maintains a formal and transparent procedure for the appointment of new Directors. The process is enumerated in the Company's AA. Nominees to the Board are first considered by the NRC, taking into account the mix of skills, competencies, experience and other qualities required to manage a highly regulated communication business, before they are recommended to the Board.

While the Board is responsible for the appointment of new Directors, the NRC is delegated with the role of screening and conducting an initial selection, which includes an external and independent search, 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.

In 2017, the NRC having considered Dato' Sri Shazalli's qualifications, expertise, skills and experience recommends to TM Board on his appointment and welcomed him as the new MD/Group CEO of the Company.

Directors' Retirement and Re-election

Taking into account the requirements in the AA of the Company, the Directors' Rotation List was presented to the NRC for endorsement. The Directors recommended to be re-elected at the AGM are subject to prior assessment by the NRC and the affected Directors are required to give their consent on their re-election prior to TM's Board meeting. In assessing the candidates, NRC takes into consideration their attributes, competencies, commitment, personality and qualities, as well as their contribution and performance based on the BEE. Assessment of the Board's structure and balance as well as the concerned Directors' independence is also made. NRC's recommendations are thereafter submitted to the Board and shareholders for approval.

At the forthcoming 33rd AGM, five directors will be considered for re-elections pursuant to various provisions of the AA.



The following are the directors representing one-third and longest in office since their last election, whom shall retire by rotation. They are recommended for re-election by the NRC and Board, and have given their consent to be re-elected as directors:

Datuk Bazlan Osman, the ED/Deputy Group CEO, continues to serve the Board with distinction, providing sound advice, guide and views, as well as valuable input and strong support to the MD/Group CEO in the implementation of various strategies to move the Company forward, and also presenting a strong formidable team to enhance the Company's performance and reinforce TM's stability in the market. He led various initiatives in the past and continues to enhance the Company's overall performance in light of a challenging year for the Company and industry. Based on the 2017 BEE assessment, the Board opined that he has performed admirably with exemplary dedication to his duties and responsibilities.

Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin, SID/INED, continues to be an indispensable member of TM Board. His insightful views and strong character, inquisitive and articulate nature attained from years in local and international engagements, enable him to provide diverse and distinctive views on corporate and business matters. Given his sound knowledge on board and CG matters, he continues to be tasked to lead the NRC. Based on the 2017 BEE assessment, the Board opined that Tunku Dato' Mahmood Fawzy's invaluable contributions are essential to the Board mix and recommends his re-election.

Datuk Zalekha Hassan is a valuable member of TM Board. Her impeccable record in Government serving various senior positions, including procurement matters during her service with the Ministry of Finance enables Datuk Zalekha to continue to chair BTC effectively. She has continuously demonstrated strong principles, morally unrelenting with firm commitment in upholding integrity and governance in the Company's procurement process. She is inquisitive, firm in her views and able to provide astute advice to the Board. Based on the 2017 BEE assessment, the Board was of the opinion that Datuk Zalekha's continuous contribution to the Company is essential to the Board's balance and diversity, and thus recommended that she be re-elected as a Director at the forthcoming AGM.

The following are the Directors appointed to fill casual vacancies in 2017. They were appointed during the year and to hold office until the following AGM where they are required to retire. The Directors are recommended for re-election by the NRC and Board, and they have given their consents to be re-elected as Directors:

Dato' Sri Mohammed Shazalli Ramly, MD/Group CEO, experience in telecommunication, local and international, as well as his strength in marketing, has proven invaluable in leading TM in its next stage of evolution. He has demonstrated his ability as a quintessential visionary that brings with him the energy, drive and industry know-how, which are essential to lead the Company in its convergence and digitalisation aspirations. He has shown his ability to lead the Management team and also fill the void in digitalisation experience in the Board. Based on the 2017 BEE assessment, NRC and TM Board welcomed him as the new MD/Group CEO of the Company.

Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil, NINED, was the Alternate Director on TM Board since 29 November 2012 and redesignated as a substantive Director on 30 April 2017. During his tenure as Alternate Director, Nik Rizal has been on several Board committees as part of his succession

planning as Director. He is poised yet inquisitive, vocal and thorough when expressing his opinions and views. Even as an Alternate Director, he has shown his capabilities, commitment, and dedication towards the Board and Company through the years. Having been groomed into the position, Nik Rizal has naturally embraced the NINED position. Based on the 2017 BEE assessment, the Board opined that Nik Rizal's contributions are essential to the Board mix and recommends his re-election.

The five Directors who are due for re-elections at the forthcoming AGM, as evaluated by the NRC and approved by the Board, have met the Board's expectations and continue to perform in an exemplary manner as demonstrated by their contributions to the Board. The Board is of the view that the Directors have brought objective judgment in Board deliberations and have performed their fiduciary duties well.

Their independence assessment is conducted annually via the BEE and tabled for the consideration of NRC in February prior to finalisation of the Notice of AGM. After considering the above factors, the Board has recommended the Directors for re-elections.

Board Effectiveness Evaluation (BEE)

Our BEE comprises a Board Evaluation, a Committee Evaluation and a Directors' Self and Peer Assessment, designed to improve the Board's effectiveness as well as to draw the Board's attention to key areas that need to be addressed in order to maintain Board cohesion despite its diversity.

It was conducted internally by the Group Company Secretarial Division who has professionally and continuously maintained an objective evaluation methodology. Candid assessment by the Directors are well kept maintaining confidentiality of the feedback givers. It was then analysed and the findings presented to the NRC and Board for discussion. Our Board believed that the process was well managed without any due interference from Directors and Management. Our Board noted Practice Note 5.1 which recommend Large Companies to engage independent experts periodically to facilitate objective and candid board evaluations. The Board in February 2018 has analysed the BEE 2017 Report and was satisfied with the findings and objectivity rendered. The Board agreed that there is no necessity for the Company to engage independent expert for the said exercise for BEE 2018.

BEE assesses the Board's responsibilities, composition, ways to foster commitment, administration and process, conduct, interaction and communication with management and stakeholders, and its evaluation on the Chairman, MD/Group CEO and ED/Deputy Group CEO. BEE 2017 revealed that the Board has carried out its duties well and amicably with most areas rated as "Good" or "Outstanding". The Board agreed that it has performed well in these challenging times and is satisfied with its overall performance with some areas identified for improvements.

The BEE also assesses the effectiveness of the Board Committees, particularly their structure and processes as well as accountability and responsibility. All Board Committees are rated "Good" to "Outstanding" indicating that the Committee members have discharged their duties and responsibilities well with commitment and professionalism to the benefit of the Company. Areas for 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 results continued to be high in 2017.

Based on the 2017 BEE results, the Board will continue to focus on the following strategic areas in 2018 to maintain TM's competitive edge. Apart from the Board, the SID-NEDs Meeting will also track these to the satisfaction of the Board.

<p>Strategic & Inorganic Growth:</p> <p>01 Focus on the implementation of Convergence and Go Digital in a timely and effective manner.</p> <p>02 Right Skills personnel, Board & Management, for the world of digitalisation.</p>	<p>Performance Management:</p> <p>01 More engagement between Board & Management for improvement on business performance process.</p>	<p>Business Sustainability & Risks:</p> <p>01 Management to clearly define sustainability plan & risks.</p>	<p>Succession Planning:</p> <p>01 Recruiting required skillsets for Directors & right talents for Management.</p> <p>02 Attractive remuneration packages for Board and Senior Management.</p>
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DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION

Our Directors' remuneration policy ensures that the remuneration mix is market competitive and equitable. The aim of the remuneration policy is to align with our strategic thrusts and value drivers, attract and retain Directors of such calibre who are able to provide the necessary skills and experience, commensurate with the responsibilities for the effective management of TM Group as well as support the philosophy of value-based management.

The policy and framework for the overall remuneration of the EDs and NEDs are reviewed against market practices by the NRC, following which recommendations are submitted to the Board for approval.

Non-Executive Directors (NEDs)

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 attendance at Board and Committee meetings.

The shareholders had at the 32nd AGM held on 26 April 2017, approved the payment of directors' fees with effect from the 32nd AGM until the 33rd AGM of the Company. The prevailing Directors' Fee for the Non-Executive Chairman (NEC) and NEDs (as stated below) were last reviewed and approved at the 28th AGM held on 7 May 2013 with effect from 1 January 2012 following an independent review by an external consultant.

DIRECTORS	FEE
NEC	RM276,000 per annum (Q RM23,000 per month)
NEDs	RM180,000 per annum (Q RM15,000 per month)
SID	RM27,000 per annum (Q RM2,250 per month)

After a lapse of six years, the Board is proposing a review to the existing Directors' Fees, to ensure that the Company is able to attract and retain the right Board talent as well as motivate the Directors to drive the Company's long-term objectives. The remuneration proposed takes into account the demands, complexities and performance of the Company as well as skills and experience required. Hence, the NEDs remuneration should reflect the increasing complexities of the duties, responsibilities, expectation and commitment of the work of the NEDs. The proposed review is to ensure that the remuneration is comparable with the prevalent market. For this purpose, an external consultant namely Korn Ferry/Hay Group was engaged in October 2017 to undertake the benchmarking analysis against selected peer companies, Malaysian listed companies and regional telecommunications companies, and recommend the appropriate revised fees. In addition, NRC also takes into consideration KPMG Report on NEDs Remuneration 2017 issued in February 2018.

The proposed review was comprehensively deliberated by the NRC in January and February 2018, and was duly approved by the Board for tabling at the 33rd AGM for shareholders' approval. The proposal involve the revision to the Directors' fixed fee only, to be effective from the 33rd AGM until the next AGM (Stipulated Period), as follows:

- (i) Increase of NEC fee from RM23,000 per month to RM30,000 per month; and
- (ii) Increase of NED fee from RM15,000 per month to RM20,000 per month.

The Board was of the view that the proposed increase is fair and reasonable as the Directors' Fees have not been reviewed since 2012.

NEDs are not entitled to participate in any employees share scheme or variable performance-linked incentive schemes pursuant to the Blue Book issued by the Putrajaya Committee on Government Linked Companies (GLCs) High Performance (PCG).



TM has also in place a Subsidiaries' Board Remuneration Framework (SRF) in which subsidiaries are categorised into tiers based on its strategic, revenue and impact levels to TM, as well as focus of business. Based on SRF's policy, directors' fees for Tier 1 Subsidiaries has been set at 50% of TM's Remuneration Framework. In view thereof, the fees for NEC and NEDs appointed on the boards of the Tier 1 Subsidiaries shall be revised from RM11,500 per month to RM15,000 per month for the NEC, and from RM7,500 per month to RM10,000 per month for the NEDs, for the Stipulated Period. Hence, shareholders' approval is sought for the payment of the revised directors' fees under the SRF.

Despite the trend for companies to introduce and pay retainer fees for Board Committees, NRC and TM Board agreed to maintain existing benefits. The prevailing benefits payable applicable to NEC and NEDs pursuant to the Board Charter comprise meeting fee, emoluments and claimable benefits as stipulated below:

(i) Meeting fee structure for Board and Board Committees:

	Meeting Allowance Per Attendance (RM)						LTIP Committee
	Board	BAC	NRC	BTC	BRC	BIC	
Chairman	3,500	3,250	2,500	3,250	2,500	2,500	2,500
NED	3,000	2,500	2,000	2,500	2,000	2,000	2,000

Note: Board is authorised to determine the fees for ad-hoc Board Committees.

(ii) Meeting fees under the SRF:

Category of TM Subsidiaries	NEC	NED	Committee Fee	
	Meeting Fee (RM)	Meeting Fee (RM)	Chairman Meeting Fee (RM)	Member Meeting Fee (RM)
Tier 1	1,500	1,000	500	300
Tier 2	1,500	1,000	Nil	Nil

(iii) Customary benefits such as claimable benefits on annual overseas business development trips, leave passage, per diem travelling for foreign director, 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 33rd AGM for the payment of 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 2017, are as follows:

NO.	NAME OF DIRECTORS	SALARY (RM)	VARIABLE PAY (RM)	ALLOWANCE (RM)	BENEFITS IN KIND (RM)	TOTAL AMOUNT (RM)
NON-INDEPENDENT AND EXECUTIVE DIRECTORS (NIED)						
1	Dato' Sri Mohammed Shazalli Ramly (Appointed on 1 May 2017)	1,652,952.40 ^a	640,000.00 ^b	40,000.00 ^c	113,588.76	2,446,541.16
2	Datuk Bazlan Osman	1,774,916.60 ^a	1,103,882.16 ^d	60,000.00 ^c	65,057.76	3,003,856.52
NIED RETIRED IN 2017						
3	Tan Sri Dato' Sri Zamzamzairani Mohd Isa (Retired on 30 April 2017)	1,010,780.60 ^a	4,380,060.67 ^e	20,000.00 ^c	127,085.36	5,537,926.63
		4,438,649.60	6,123,942.83	120,000.00	305,731.88	10,988,324.31

NO.	NAME OF DIRECTORS	DIRECTOR FEES (RM)		BENEFITS PAYABLE (RM)		TOTAL AMOUNT (RM)
		TM	SUBSIDIARY	ALLOWANCE	BENEFITS IN KIND	
NON-INDEPENDENT AND NON-EXECUTIVE DIRECTORS (NINED)						
1	Tan Sri Dato' Seri Dr Sulaiman Mahbob	276,000.00	276,000.00	47,500.00	91,435.02	690,935.02
2	Dato' Sri Dr Mohamad Isa Hussain	180,000.00	-	55,500.00	6,798.55	242,298.55
3	Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil	120,000.00 ^f	-	65,500.00 ^f	67,913.30	253,413.30
INDEPENDENT NON-EXECUTIVE DIRECTORS (INED)						
4	Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin	320,000.00 ^g	-	101,500.00	68,032.85	489,532.85
5	Datuk Zalekha Hassan	180,000.00	90,000.00	101,250.00	78,989.75	450,239.75
6	Davide Giacomo Federico Benello	180,000.00	-	141,000.00 ^h	10,766.10	331,766.10
7	Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor	180,000.00	122,000.00	62,500.00	5,041.45	369,541.45
8	Gee Siew Yoong	180,000.00	-	80,000.00	67,534.00	327,534.00
9	YM Tunku Afwida Tunku Dato' A.Malek	180,000.00	-	89,500.00	68,352.30	337,852.30
10	Balasingham A. Namasiwayam	238,306.45 ^g	-	96,500.00	65,149.97	399,956.42
NINE ALTERNATE DIRECTOR						
11	Dato' Asri Hamidin @ Hamidon (Alternate Director to Dato' Sri Dr Mohamad Isa Hussain)	-	-	2,500.00	4,665.00	7,165.00
INED RESIGNED IN 2017						
12	Dato' Ibrahim Marsidi (Resigned on 30 April 2017)	69,000.00	30,000.00	41,500.00	65,075.77	205,575.77
	TOTAL AMOUNT (RM)	2,103,306.45	518,000.00	884,750.00	599,754.06	4,105,810.51

Notes:

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

^b Performance linked incentive

^c Car allowance in lieu of provision of company car

^d Inclusive of LTIP and Performance link incentive.

^e Inclusive of LTIP and Ex-Gratia.

^f Payment made to Khazanah as management fee for Khazanah's nominee director

^g Inclusive of fee received from subsidiary

^h Inclusive of per diem allowance for foreign director



EDs and Senior Management

As EDs, MD/Group CEO, ED/Deputy Group CEO and Senior Management are paid salaries, allowances, performance based incentives including bonus and other customary benefits as appropriate to Top Management. A significant portion of the Top Management’s compensation package has been made variable depending on the Company’s performance during the financial year, which is determined based on the individual KPIs, and aligned to TM Group’s Balanced Scorecard. The EDs are not paid Director’s fees or meeting allowances for Board and Board Committee meetings that they attend and are members of.

The performances of the EDs (as well as that of the Pivotal Positions and the Group Company Secretary) are reviewed annually by the NRC, and recommendations are submitted to the Board on specific adjustments in their remuneration and/or reward payments, reflecting their contributions for the year.

The MD/Group CEO and Management team are rewarded according to a combination of achievement of targets and their 360-degree ratings. These payments are competitive in line with the Group’s corporate objectives and strategy. The EDs recused themselves during deliberations on their performance rewards and remuneration review at NRC and Board meetings.

The remuneration of the top five Senior Management (including salary, bonus, benefit in kind and other emoluments) identified as Group Chief Financial Officer (Group CFO), Chief Strategy Officer (CSO), Chief Technology and Innovation Officer (CTIO), Chief Human Capital Officer (CHCO) and Chief Procurement Officer (CPO) ranged as follows:

No. of Senior Management	Remuneration ranges per annum (RM)
1	750,000 - 800,000
1	1,000,000 - 1,150,000
2	1,650,000 - 1,700,000
1	1,800,000 - 1,850,000

At the Extraordinary General Meeting of the Company held on 28 April 2016, the shareholders have approved a Long-Term Incentive Plan (LTIP) for all eligible employees and EDs. The main objectives of the LTIP remain to encourage performance culture and as a retention tool. The LTIP comprises Restricted Share and Performance Share grants, whereby the main differences is 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. The LTIP is administered and managed by the LTIP Committee, a sub-committee of the NRC established in accordance with the by-laws governing the LTIP (LTIP By-Law).

NOMINATION AND REMUNERATION COMMITTEE (NRC)



Chairperson

Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin
Senior Independent Non-Executive Director

Members

- > **Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil**
Non-Independent Non-Executive Director
- > **Datuk Zalekha Hassan**
Independent Non-Executive Director
- > **Tunku Afwida Tunku Dato' A. Malek**
Independent Non-Executive Director
- > **Balasingham A. Namasiwayam**
Independent Non-Executive Director

Key Objective

The Nomination Committee and Remuneration Committee has dual roles since its inception. Both roles have been combined for the purpose of convenience and practicality, whereby the same members are entrusted with both functions. In addition to the nomination and remuneration roles, NRC also oversees governance matters.

Membership

The NRC comprises exclusively of NEDs, with 80% of its members being independent. Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin, who has been redesignated an INED and appointed as SID on 30 April 2017, continues to helm the NRC.

Tunku Dato' Mahmood Fawzy's strong character and impeccable knowledge of board and company governance matters, as well as his leadership acumen, coupled with the support of his fellow committee members, have established the NRC as an effective committee. This is evidenced from the findings of the BEE, that the NRC has continued to perform extremely well under his chairmanship.

During the year, Dato' Ibrahim Marsidi, a long serving member on the Board of TM resigned as Director and member of the NRC on 30 April 2017. Following thereto, Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil was appointed as a new member in his stead.

Responsibilities

NRC is to assist the Board amongst others, in regard to selection, nomination, appointment, assessment, remuneration and compensation of Board and key management positions identified as Pivotal Positions. It also support the Board in ensuring efficiency and transparency of TM's governance related matters or issues that may directly or indirectly affect the Board. The ToR of the NRC is accessible on the Company's official website.

Overview

Throughout the year in review, NRC has continued to provide efficient support to the Board. Key issues deliberated are on the assessment and appointment of the new EDs, namely the MD/Group CEO and ED/Deputy Group CEO, following their nominations by the Special Shareholder. In addition, identification, assessment and succession plans for the Pivotal Positions and their remuneration were also discussed and finalised during the year. Apart from the MD/Group CEO, ED/Deputy Group CEO and CTIO, Pivotal Positions have now been expanded to include the Group CFO and CSO.

NRC also deliberated and recommended the Company's Headline KPIs to the Board, oversees the implementation of the performance linked reward i.e. LTIP via its sub-committee known as the LTIP Committee and oversees the review of the Board Charter.

NRC is governed by its own ToR which is stipulated in the Board Charter, accessible on the Company's official website at www.tm.com.my.



In carrying out its duties and responsibilities, NRC has the following authority:

- Full, free and unrestricted access to TM’s records, properties and personnel;
- Report its recommendations to the Board for its consideration and approval;
- Acquire the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary; and
- Seek the advice of external consultants on the appropriateness of remuneration packages and other employment conditions, if required.

Main activities of NRC in 2017 (and how NRC met its responsibilities)

The Board recognised NRC’s contributions and its role in providing valuable advice and recommendation in regard to nomination, remuneration and governance matters, and acknowledged that the respective NRC members have performed their responsibilities diligently and efficiently. During the year, the NRC have undertaken the following activities:

a) Nomination Function

NRC ensure Board composition meets the needs of the Company. It also develops, maintains and reviews the criteria to be used in the recruitment process and annual assessment of directors.

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

- Re-appointment and re-election of Directors at the 32nd AGM and 33rd AGM.
- Appointment of new MD/Group CEO.
- Establishment and appointment of new Pivotal Position i.e. ED/Deputy Group CEO.
- Redesignation of NINED to INED.
- Appointment of a new INED and SID.
- Appointment of candidates designated as Pivotal Positions, namely Group CFO, CSO and CTIO.
- Annual assessment and review of composition of all TM Board Committees.
- Annual assessment of independence status of the INEDs.
- Review and implementation of succession planning for the Board.

b) Remuneration Function

Considered and made recommendations to the Board on the following matters:

- Remuneration package for the Pivotal Positions.
- Gratuity payment for previous MD/Group CEO.
- Performance evaluation of the EDs, Pivotal Positions as well as the Company Secretary against pre-set KPIs.
- Payment and Vesting of Shares pursuant to the LTIP-PSP.
- LTIP for ED/Deputy Group CEO and eligible TM employees.
- Performance Reward Pool and Salary Increment for TM employees.
- Review of SRF.
- KPI for 2017-2020.

Pursuant to the Board Charter, NRC ensures that the remuneration package is reviewed annually in order to attract competent and talented Directors to the Board. After a lapse of six years, NRC is recommending a review to the subsisting Directors’ fees and benefits at the forthcoming AGM.

c) Governance Function

Considered and made recommendations to the Board on the following matters:

- Implementation and scope of the BEE assessment for 2017.
- Status of Directors’ continuing education programme in compliance with the Board Training Programme.
- Observance and monitoring of governance requirements by the Directors, including their attendance at Board and committee meetings held during the financial year.
- Annual review of the Board Charter.
- Assess and recommend the applicability of MCCG 2017.

NRC Effectiveness Review and Performance

Based on the 2017 BEE findings, the Board is satisfied that the 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. The NRC was rated as effective in providing excellent performance to the Board.

LTIP Committee, a NRC Sub-Committee

During the year, the LTIP Committee held two meetings with time spent of about 1 hour to deliberate on the granting of Restricted Shares and Performance Shares for TM eligible employees and ED, respectively, based on the agreed LTIP design and implementation plan.

In 2017, the LTIP Committee members were reduced to four, after Tunku Dato’ Mahmood Fawzy vacated his position as Chairman and member. Nik Rizal Kamil, the existing member was appointed as Chairman in his stead. The current members of the Committee are as follows:

- Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil (Chairman)
- Davide Giacomo Federico Benello
- Tunku Afwida Tunku Dato’ A.Malek
- Balasingham A. Namasidayam

LTIP was rated as effective in its performance delivery for the year under review.

TENDER COMMITTEE (BTC)



Chairperson

Datuk Zalekha Hassan

Independent Non-Executive Director

Members

> **Dato' Sri Mohammed Shazalli Ramly**
Managing Director/Group Chief Executive Officer
Non-Independent Executive Director

> **Datuk Bazlan Osman**
Executive Director/
Deputy Group Chief Executive Officer
Non-Independent Executive Director

> **Dato' Sri Dr Mohamad Isa Hussain**
Non-Independent Non-Executive Director

> **Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil**
Non-Independent Non-Executive Director

> **Balasingham A. Namasiwayam**
Independent Non-Executive Director

Alternate Member

> **Dato' Asri Hamidin Q Hamidon**
Non-Independent Non-Executive Alternate Director

Key Objective

BTC was established to consider all procurement proposals in TM Group based on the approved LoA in line with the Board's delegation of power.

Membership

During the year, Balasingham A. Namasiwayam and Dato' Sri Mohammed Shazalli Ramly were appointed as new members of BTC in place of Dato' Ibrahim Marsidi and Tan Sri Dato' Sri Zamzamairani Mohd Isa effective 30 April 2017 and 1 May 2017 respectively.

Responsibilities

The key functions of the BTC are summarised as follows:

- Ensure that 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 the tenderers.
- Consider and approve bids 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 that the objectives of the Bumiputera Entrepreneurship Development Programme and Vendor Programme are achieved through careful monitoring of the performance and track records of the companies/vendors appointed under these programmes.

The BTC is governed by its own ToR which is stipulated in the Board Charter, accessible on the Company's official website at www.tm.com.my.

Overview

BTC has executed its duties and responsibilities well whilst providing sound advice on procurement governance for adoption by the Company. BTC is supported by sub-management committees chaired by the MD/Group CEO, Group CFO and CPO, depending on the level of authority accorded to them.

Meetings of BTC

BTC held 9 meetings during the financial year, with total time spent of 22.2 hours. TM's CPO attended these meetings as a permanent invitee while the CTIO was invited as and when required to provide additional input on technical matters. Management Evaluation Committee members were also invited to brief the BTC on specific issues as and when required.

Main Activities of BTC in 2017

During the year, BTC deliberated on the following matters:

- Procurement proposals within its authority limits.
- Procurement performance report and status summary.
- Three-year procurement plan.
- Identified procurement issues.

Significant matters reserved for Board's approval and procurement proposals within the authority limits of TM Board were tabled at Board meetings.

BTC Effectiveness Review and Performance

In BEE 2017, BTC continues to operate effectively under established governance processes.

The Board opined that all members have collectively contributed to the effectiveness of the Committee.



INVESTMENT COMMITTEE (BIC)



Chairperson

Datuk Seri Fateh Iskandar
Tan Sri Dato' Mohamed Mansor
 Independent Non-Executive Director

Members

- > **Datuk Bazlan Osman**
Executive Director/Deputy Group Chief Executive Officer
Non-Independent Executive Director
- > **Dato' Sri Dr Mohamad Isa Hussain**
Non-Independent Non-Executive Director
- > **Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil**
Non-Independent Non-Executive Director
- > **Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin**
Senior Independent Director
- > **Gee Siew Yoong**
Independent Non-Executive Director
- > **Tunku Afwida Tunku Dato' A.Malek**
Independent Non-Executive Director

Alternate Member

- > **Dato' Asri Hamidin Q Hamidon**
Non-Independent Non-Executive Alternate Director

Key Objective

BIC was established to consider and evaluate strategic equity investment and/or divestment related proposals of TM Group for recommendation to the Board. It is also tasked to consider and deliberate all proposals relating to TM Group's properties (i.e. land and buildings).

Membership

There were no changes to BIC composition in 2017 save for the redesignation of Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil as full member on 30 April 2017 following his redesignation as a substantive member of TM Board.

The combined experience and knowledge of the members enable BIC to assess and evaluate strategic and major proposals objectively. BIC remains strong and productive in its deliberations and provide clear guidance to management on key issues and concerns before submitting any recommendations to the Board for endorsement.

Responsibilities

The powers, duties and responsibilities of the BIC are incorporated in the Board Charter which is accessible to the public on the Company's official website at www.tm.com.my.

Key BIC's responsibilities are summarised below:

- To review, evaluate and recommend to the Board the Management's recommendations on strategic equity investment and divestment related proposals.
- To review, evaluate and recommend to the Board the Management's recommendations on land matters related proposals.
- To review post investment review (PIR) report on post-acquisition or post-investment implementation on major and strategic investment by TM and Group and provide the necessary guidance as appropriate.

In November 2017, the Board has tasked BIC to also consider TM's funding proposal prior to the Board's deliberation.

Overview

BIC continued to perform its duties diligently during the year and provided clear guidance and advices to Management on strategic investment and land commercialisation matters in accordance with TM's internal policy to protect the Group's interest.

TM Board always has high regard of BIC's capability and opinions and accepted BIC's recommendations accordingly.

Meetings of BIC

BIC held six meetings in 2017 including three special meetings with total time spent of approximately 4.00 hours. Decisions and recommendations of the meetings were reported to and deliberated at the Board meetings. Relevant TM officers were invited to attend BIC meetings as and when appropriate to present Management's proposals.

Main Activities of BIC in 2017

During the year, BIC has deliberated and recommended to the Board on the following matters:

- Proposed decision on way forward on an existing Joint Land Development of TM's land.
- Proposal on TM's participation in a business arrangement in a property development project to enable provision of TM's end to end services for the project.
- Proposal to exercise TM's rights and option under an Investment Agreement relating to a subsidiary.
- Policy on Managing Request from third parties for land held by TM.
- Review of TM's investment in an innovation fund.

BIC Effectiveness Review and Performance

BEE 2017 showed that the BIC has continued to be proactive and highly engaged on related issues, and has fulfilled its responsibilities in facilitating the Board's informed decisions. Having better understanding of the business moving forward (i.e. convergence, digital and beyond connectivity) will enable BIC to provide clear guidance and input on management's proposals.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE (BAC)



Chairperson

Gee Siew Yoong

Independent Non-Executive Director

Members

> **Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil**
Non-Independent Non-Executive Director

> **Datuk Zalekha Hassan**
Independent Non-Executive Director

> **Tunku Afwida Tunku Dato' A. Malek**
Independent Non-Executive Director

> **Balasingham A. Namasiwayam**
Independent Non-Executive Director

Key objective:

Audit committee plays a crucial role in providing assistance to the Board in fulfilling its oversight responsibilities through review of financial information and provides an unbiased review of the effectiveness and efficiency of the Group's internal control from an independent perspective.

Membership

In line with Paragraph 15.09 of the Main LR of Bursa Securities and Clause 5.1.2 of the Board Charter with regard to the governance of the BAC, TM BAC membership comprises all NEDs, a majority of whom are INEDs, with Alternate Director appointed as a member. The Chairman of BAC is an INED.

Currently, three BAC members, the chairperson, Tunku Afwida and Nik Rizal fulfil the requirement of paragraph 15.09 (1)(c)(i). Gee Siew Yoong, is a member of the Malaysian Institute of Certified Public Accountants. While both Tunku Afwida and Nik Rizal are Chartered Accountant and Fellow Accountant respectively with the Institute of Chartered Accountants in England and Wales. Gee Siew Yoong and Tunku Afwida are also members of the Malaysian Institute of Accountants.

All BAC members, as shown by their profiles, are able to read and understand financial statements, and ask pertinent questions about the Company's financial reporting process. Other than finance, the members also have a wide range of expertise that is pertinent to the business, specifically telecommunication, processes and governance that are crucial in understanding and deciding on issues under its ToR.

During the year, membership of BAC had undergone a few changes with the appointment of Nik Rizal as BAC member effective 30 April 2017. Tunku Dato' Mahmood Fawzy has also resigned as a BAC member on 31 December 2017 to realign his responsibilities in the Company after serving on the Committee for more than 9 years since 19 August 2008.

Even though BAC's composition does not solely comprise INEDs which is a Step Up Practice 8.4 under MCGG 2017, with Nik Rizal an NINED on the Committee, the Board is of the view that based on the integrity of his qualification and professionalism exhibited throughout his tenure as Alternate Director in TM, Nik Rizal's presence on the Committee does not detract independence from BAC.

During the year, there were also changes to the permanent invitees to the BAC due to the changes in the key management line up of TM. Datuk Bazlan Osman, ED/Deputy Group CEO and Nor Fadhilah Mohd Ali, Group CFO attended BAC meetings as part of Management's representation in BAC.

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 www.tm.com.my. The Board Charter is reviewed on a regular basis to enhance its processes and procedures and ensure alignment with new requirements and regulations.

BAC ToR was revised to include the relevant updates made to the MCGG 2017 and Guidance for Effective Internal Audit Function issued by the Institute of Internal Auditors Malaysia in October 2017.

These revisions helped to clarify BAC's roles and responsibilities towards the function of the Company's Internal Audit and strengthen the existing governance.



Overview

During the year in review, BAC has executed its duties and responsibilities to the best of its abilities. It has timely reviewed the 4th quarter 2016 and all 3 quarters of 2017 financial reports, the relevant reports for the inclusion in the 2016 Integrated Annual Report, dealt with audit issues raised by internal and external auditors, reviewed matters regarding fraud and wrongdoings in the Company, issues concerning possible revenue leakages, deliberated on issues involving the independence of reporting mechanism of alleged ethical misconducts, reviewed internal and external audit plans and perused related party transactions.

BAC also monitored, and ascertained the independence of the external auditors and has recommended for the Board’s approval the request for proposal for the provision of external audit and other services.

How the Committee operates

Members’ attendance at BAC meetings is provided in page 118.

During the financial year, attendance at all BAC meetings met the requisite quorum as stipulated in the BAC ToR. Majority of the members present at all meetings were Independent Directors.

The BAC meetings were structured into two deliberation clusters:

MEETINGS	FINANCIAL RESULTS	OTHER AUDIT MATTERS
Dates	20 February 19 May 28 August 21 November	23 January 11 April 26 July 14 November
Matters Discussed	<ul style="list-style-type: none"> Quarterly results and related matters Integrated Annual Report matters 	<ul style="list-style-type: none"> Management issues under the purview of BAC Internal and external audit matters

This segregation ensured efficient planning by Management and sufficient time spent for the members to deliberate and discuss the various matters.

Operational issues that could potentially risk the Company’s performance highlighted by the Group Internal Auditor (GIA) or external auditors that BAC deemed warrants closer monitoring or constant updates will be segregated as separate agenda item until the issues are resolved to BAC’s satisfaction.

BAC has also during the course of the year requested presentation by Management on issues that merits in-depth explanation to ensure appropriate resolutions.

The Company Secretaries act as the BAC Secretary in all BAC meetings. The meetings were also attended by the ED/Deputy Group CEO, Group CFO, Chief Internal Auditor (CIA) together with other members of Senior Management and external auditors, upon invitation, to brief BAC on pertinent issues.

Proposal papers are delivered within five days from the date of the meeting to enable ample time for the members to review the proposals.

In 2017, proposal papers were made accessible via electronic means in dual platforms for immediate delivery and access by members and invitees.

Reports on the deliberations of the BAC were presented to the Board while minutes of BAC meetings are circulated to all members and extracts of the decisions made are escalated to relevant process owners for action.

Significant matters reserved for the Board’s approval are tabled at TM Board meetings. The Chairman of BAC provides a report and highlights significant points on the decisions and recommendations of BAC to TM Board.

Main activities of BAC (and how BAC met its responsibilities)

Throughout 2017, BAC executed various strategies and actions to discharge its duties and responsibilities effectively. Main activities performed during the financial year are as follows:

1. Internal Control

- a) Deliberated on the Directors’ Statement on Risk Management and Internal Control (SORMIC), which was reviewed by the external auditor, in February 2017 for inclusion in the 2016 Integrated Annual Report. The statement was also jointly reviewed by the BRC.

The SORMIC was supported by the 2016 Special Report on Annual Internal Control Assurance, Internal Control Incident and EDs Assurance Statement on Effectiveness of Risk Management and Internal Control. Based on these documents, BAC reviewed and concluded that the SORMIC presented a true and fair view of the Company’s state of internal control.

- 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 Lines of Business and subsidiaries.

The issues were discussed at length to secure satisfactory conclusion on moving forward actions by Management. Matters that raised concern by the GIA were highlighted and when warranted BAC would request either further in-depth investigation for a clear defined root cause of the issue, result derived by Management in resolving the matter to a satisfactory conclusion together with GIA concurrence on the conclusion. When required to proceed with internal inquiry and/or if viably feasible to take legal action.

GIA and Management are also requested to provide assurance on proper procedure and mechanism in place where weakness detected to curtail and eliminate similar incident from recurring.

- c) Deliberated on the quarterly reports from the Audit and Business Assurance Committee (ABAC), a sub-management committee headed by the Group CFO, on actions taken by Management to resolve significant internal control and accounting issues highlighted by the internal and external auditors.

BAC deliberates and monitors the progress and status of the audit issues raised by auditors both internal and external for TM Group until BAC deemed it has reached its satisfactory conclusions. These issues shall remain open unless validated by the internal and external auditors.

During the year, BAC expressed the importance of timeliness and expediency in concluding the matters within time.

- d) Monitored specific issues or concerns requested by BAC members that affect the Company's efficiency and performance, which are tabled to BAC on a quarterly basis until BAC is satisfied sufficient controls are in place. BAC has noted marked improvement during the year in churn management. Weaknesses in processes detected during the Company's initial offer programmes enable the Company to improve its future system to stop revenue leakages and the spiral of future problems. BAC will continue to monitor its progress.
- e) Deliberated on the reports from the Best Practices Committee (BPC), a BAC sub-committee headed by the Group CFO.

BPC assists BAC in ensuring compliances and best practices for TM Group in terms of statutory, regulatory and financial standards in TM Group's disclosures. BPC plays an important role in ensuring that the relevant proposal are in accordance to the required disclosure standards and are reviewed by Management thoroughly before recommending for tabling to BAC. For 2017 BPC reported the following matters to BAC:

- Updates and developments on corporate governance and best business practices following the changes in MCCG 2017, statutory and regulatory requirements following the enactment of the CA 2016 and updates hereof on the Main LR.
- Updates on the material litigation and new material litigation threshold for disclosures and their financial impact to the Group.
- Update on the new tax requirements on country by country reporting (CbCR) for TM Group.
- Review of LoA.
- Update and progress on the revision of TM BPG.
- Review of related party transactions (RPTs) or recurrent related party transactions (RRPT) during each quarter.
- Review and recommend on the quarterly audited and unaudited financial statements and the relevant reports for the inclusion in the IAR to the relevant Board Committees, including BAC.

2. Financial Reporting

The following matters were reviewed by the BAC before being recommended to TM Board for approval:

- a) Quarterly audited and unaudited financial statements of TM Group in compliance with Malaysian Financial Reporting Standards (MFRS) 134 and the Main LR.
- BAC noted the recommendation of BPC on the Company's quarter financial performance and deliberated on the Company's quarterly financial

statements on 20 February, 19 May, 28 August and 21 November for the financial quarters of 4Q 2016, 1Q 2017, 2Q 2017 and 3Q 2017 respectively. BAC concluded that the reports presented a true and fair view of the Company's financial performance.

- BAC also reviewed the draft announcements of the audited and unaudited financial statements to Bursa Securities, to ensure compliance with regulatory requirements.
 - BAC discussed the quarterly internal audit reviews to ensure compliance with MFRS 134.
- b) Reviewed the audited financial statements of TM Group for the financial year ended 31 December 2016 in February 2017 and concluded that the financial reports presented a true and fair view of the Company's financial performance for the year and was in compliance with regulatory requirements.
- c) Recommended to the Board on the proposed dividend payout for the financial year.
- d) During 2017, dividends were declared and announced on 22 February and 29 August 2017. BAC reviewed and received assurance from Management based on the solvency test conducted, that the distribution of the dividends were in accordance with the new provisions of the CA 2016.

3. External Audit

- a) Reviewed the external auditor's report for the financial year ended 31 December 2016 and SORMIC in February 2017 before recommending to TM Board for approval.
- b) Reviewed the Internal Control Memorandum (ICM), together with Management's response to the findings of the external auditor. The interim findings were presented in November 2017.

The audit issues raised by the external auditor were deliberated and monitored by ABAC and tracked by Group Business Assurance Division until their conclusion. The activity, status and progress thereof were reported on a quarterly basis to BAC.

- c) Reviewed the 2017 Interim Audit Committee Report in November 2017 prior to the tabling of the final report for BAC's deliberation in February.

Key audit matters and areas of concern for TM and its subsidiaries highlighted by the external auditor provided a level platform for Management, BAC and external auditor to focus on. The external auditors would also provide internal control recommendations and highlights matters that may be issues of concern in preparation for the final year end audit.

- d) Reviewed the 2017 external auditor's audit plan for TM Group, encompassing the proposed work blueprint, nature and scope for the year's audit, its delivery targets and engagement strategy in August 2017 prior to its implementation.



IT systems continue to be an area to be monitored by the external auditor. This includes the development of the planned changes to the IT system that directly implicate the integrity of the financial information generated by the systems.

BAC noted that by strategising around the external audit plan, the internal audit plan is able to focus on different areas thus maximise utilisation of the resources available to ensure effectiveness of internal controls within the Group.

- e) Reviewed the terms of engagement of the external auditor for the 2017 statutory audit and SORMIC.
- f) Reviewed the overall performance of the external auditor for TM Group. Recommended their re-appointment for the financial year ended 2017 and fees payable for TM Board’s approval.

Assessments of the effectiveness of the external auditor were conducted by relevant Management members and the BAC coordinated by the GIA. The external auditor’s qualifications and performance, quality of communication and interaction, and independence, objectivity and professional skepticism were assessed.

The findings of the 2016 assessment tabulated by GIA were thereafter presented to BAC in April 2017. From the assessment, BAC and Management found that there have been improvement in value of service provided compared to previous years, however there are areas that could be further improved to better enhance their quality of services.

In the 2017 audit plan tabled to the BAC on 28 August 2017, the external auditor declared that they have maintained their independence in the course of audit for TM Group during the year in accordance with the firm’s requirement and the By-Laws on Professional Independence of the MIA. They further declared that upon review of the non-audit services to TM, none of the services provided compromise their independence as the Group’s external auditor.

- g) The external auditor, which has been TM’s external auditor since 1999, was recommended to be re-appointed for the financial year ending 2018. The financial year ended 2017 marked the fifth year of current audit partner and audit team’s engagement with TM Group and according to Section 290.151 of MIA’s By-Law (On Professional Ethics, Conduct and Practice) and embodied in Clause 8.2.5 of the Board Charter, the current key audit partner of the external auditor engaged to the Company shall be changed and shall be in moratorium for the next 2 years. Hence for the financial year ending 2018 a new audit partner will be assigned to TM Group.
- h) Reviewed and approved the non-audit services provided by the external auditor while ensuring there was no impairment of independence or objectivity. This includes monitoring the fee of the total non-audit work carried out by the external auditor so as not to jeopardise their independent status.

Pursuant to the provision in the Board Charter, BAC monitored the non-audit engagement of the external auditor on quarterly basis to ensure their independence was not impaired and that they remained objective throughout the financial year.

The non-audit engagements underwent relevant procurement processes and procedures. BAC has authorised the Group CFO to approve the proposed non-audit engagement for any engagement valued below 50% of the cumulative value of the statutory audit fee for the current year. A report on the engagement of external auditor approved by the Group CFO for non-audit work and the cumulative value is tabled every quarter to BAC.

Non-audit service fees paid to the external auditor during the year and its value relative to the statutory audit fees are as follows:

Particulars	RM (million)	
	Company	Group
2017 Statutory Audit Fees		
Statutory Audit	1.38	2.73
Other Audit Related Services	0.48	0.82
Total Audit and Audit Related Services	1.86	3.55
2017 Non-Audit Fees		
Tax Service	0.63	0.82
Other Services	1.00	1.00
Total Non-Audit Fees	1.63	1.82
Percentage of Non-Audit Fees over Statutory Audit & Other Audit Related Services & Fees	87.63%	51.27%

The Company engaged the external auditor for the following non-audit works:

- Taxation matters involving amongst others consultation on land disposal, post tax incentives, tax assessment, special tax audit and country by country and transfer pricing reporting requirement.
 - Continuation from year 2016 the Service Culture Consultation work for Customer Experience division, sourced via relevant tender procurement process.
- i) BAC also exercised its right to hold meetings with the external auditor without Management’s presence. This session was to enable open discussion with the BAC and ensure the external auditor was not restricted in its scope of audit.

During the year, two formal private engagements were held, on 20 February and 21 November 2017.

The BAC Chairman, CIA and external auditor also held private sessions without Management's presence as and when required. These helped to reinforce the independence of the internal and external audit functions of the Company.

4. Internal Audit

- a) Review the internal audit budget to ensure adequate scope and comprehensive coverage of the Group's activities.

In January 2017, BAC reviewed and approved the GIA's Annual Audit Plan to produce 70 audits reports (2016 – 69) based on a budget of 8,337 mandays at an estimated cost of RM7.15 million.

In November 2016 GIA, through procurement process, has appointed the Institute of Internal Auditors Malaysia (IIAM) to assess the internal auditor's quality of service as part of its quinquennial quality assurance review required by the International Standards for the Professional Practice of Internal Auditing. Based on the self-assessment conducted by TM GIA, IIAM validated that TM GIA generally conforms to the Standards.

- b) Reviewed the KPIs, performance, competency and resources of the internal audit function to ensure that, collectively, GIA has the required expertise and professionalism to discharge its duties. The profile of the CIA is set out on page 105.
- c) Deliberated on the internal audit reports, audit recommendations and Management's action plan regarding these recommendations. Where appropriate, BAC instructed Management to rectify and improve the control systems based on GIA's recommendations and suggestions for improvements. During the year GIA completed and issued 70 detailed audit reports together with their findings and analysis to BAC. The summary of the major findings were presented and deliberated at BAC meetings. By the end of 2017, these reports were made accessible electronically for quick and easy reference.
- d) Kept updated on 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.
- e) Held private meetings and discussions with CIA on key internal controls and internal audit related matters.

5. RPTs, RRPTs and Conflict of Interests

- a) Reviewed reports of 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.

During the year, no transaction warranted BAC's review.

- b) Reviewed the estimated RRPT Mandate for the ensuing year and Circular to Shareholders on the Renewal of Shareholders' Mandate for RRPT, and recommended the same for TM Board's approval.

In February 2018, BAC reviewed the proposed estimates for RRPT mandate involving Axiata Group Berhad (Axiata) and/or its subsidiaries (Axiata Group) for the shareholders' approval at the 33rd AGM. Comparisons were made based on the actual utilisation of the contract amount of previous mandated estimates.

BAC also approved new RRPT mandate with Tenaga Nasional Berhad (TNB) to be tabled for shareholders' approval at the forthcoming AGM.

- c) Periodically reviewed the RRPTs that were mandated at the 32nd AGM held on 26 April 2017 and tracked the transactions against their mandated amount to ensure they were at arm's length.

Based on the approved RRPT mandate involving Axiata Group and Astro Malaysia Holdings Berhad (AMH) and/or its subsidiaries (AMH Group), BAC found that there were reasonable controls in monitoring the RRPT amount transacted during the year.

6. Integrity and Ethics

Deliberated on reports in relation to internal control incidents, investigations and domestic inquiries and major cases of internal and external misconduct that breach the Group's Code of Business Ethics, Integrity Pact and whistle-blower programme via the report from the Ethics and Integrity Management Committee (EIMC) chaired by the MD/Group CEO.

7. Annual Reporting

- a) Reviewed the Integrated Annual Report 2017 and recommended their adoption by the Board.

These reports were first perused by BPC for comments and cohesiveness and thereafter approved by the EDs prior to tabling the same for BAC's consideration, review and recommendation to the Board.



8. Significant judgements and issues

As at the end of 2017, the following are issues raised and action taken:

MATTER CONSIDERED	ACTION
<p>1. Useful life of assets, impairment of Property, Plant and Equipment (PPE) and Intangible Assets</p> <p>The estimated useful lives of PPE are reviewed by Management on an annual basis based on factors such as business plan and strategies, expected level of usage, changes in technology, latest findings in research and development, updated practices to enhance performance of certain network assets and future technological developments.</p>	<p>Due emphasise is given in reviewing the carrying value of the Group’s PPE in view of its materiality to the Group’s balance sheet.</p> <p>As reported before, the future results of operations could be materially affected by changes in estimates applied in determining the useful lives or residual values of the Group’s PPE, brought about by changes in the factors mentioned.</p> <p>In addressing this, the Group continues its established practise of having the appropriate Management review committees which are specifically set up to perform the necessary reviews of useful life of assets, impairment of PPE and Intangible Assets of the Group, consisting and chaired by key Management individuals possessing the relevant experience and expertise in overseeing such annual reviews with due rigour and diligence.</p> <p>The outcome of such reviews are updated to BAC and deliberated in ensuring reasonableness of due conclusion and resulting financial impact.</p> <p>During the financial year, the Group recognised depreciation of remaining WiMax assets in operations which was accelerated in view of planned roll-out of new LTE sites. Certain provisions for write off were also made in the normal course of the financial year’s annual review, for certain elements of the Group’s network that have been identified for upgrades.</p> <p>As disclosed in Note 22 (c) to the Audited Financial Statements, a subsidiary of the Group, Webe Digital Sdn Bhd (webe) undertook an assessment of recoverability of its PPE. Recoverability was assessed through fair value less cost to sell of the entity based on the same parameters and valuation used for the review of recoverability of the Group’s goodwill in webe. Arising from the review, no impairment was concluded to be required as at 31 December 2017.</p>
<p>2. Fair Value of Derivatives and Other Financial Instruments</p> <p>Two significant derivatives that the Group has recognised in past financial years arising from the acquisition of webe on 30 September 2014 are in the form of obligations and options to purchase shares of webe from its Non-Controlling Interests (NCI) i.e. Green Packet Berhad (GP) through its wholly owned subsidiary, Packet One Sdn Bhd (POSB) and SK Telecom Co. Ltd (SKT).</p> <p>As reported in prior years, the recognitions were necessary after detail assessment that were made in compliance with MFRS 132 Financial instruments: Presentation and MFRS 139 Financial Instruments: Recognition and Measurement.</p> <p>The Group relies on valuation techniques in arriving to the value of webe’s shares as they are not traded in any active markets. In the course of doing so, the Group exercises its judgment in selecting the appropriate valuation methods and makes the necessary assumptions that are mainly based on market conditions existing at the end of each reporting period.</p>	<p>BAC is periodically updated of the fair value of these derivatives which are quantified based on the present value of their future cash flows which is derived the Group’s annual budget review process that ultimately requires approval of TM Board.</p> <p>During the financial year ended 31 December 2017, the derivative relating to SKT which gave the Group an option to purchase all shares of webe registered under SKT at a pre-determined price lapsed unexercised 3 months after the completion of the issuance of the RM1.65 billion Convertible Medium Term Notes programme issued by webe in September 2017. This is in line with the conditions associated to the option. With that, the derivative was derecognised from the Group’s financial statements where the entire carrying value at the point of derecognition taken to the Group’s Income Statement.</p> <p>In estimating the fair value of the remaining derivative which represents the Group’s obligation to repurchase shares of webe from its NCI, BAC is updated of the valuation models used in projecting the expected share prices and the comparable discounts and growth rates reflective of market conditions specific to the telecommunication industry existing at the end of the reporting period.</p> <p>BAC is aware and mindful that the use of different methodologies or assumptions could lead to different measurements of fair values and as such, due assurance should be established in ensuring the estimates of fair values are appropriate.</p>

MATTER CONSIDERED	ACTION
<p>3. Carrying value and recoverability of Goodwill</p> <p>The carrying value of the Group's goodwill in its investment in subsidiaries are put to test for impairment annually in accordance with the Group's accounting policy or whenever events or changes in circumstances indicate that this is necessary.</p> <p>The assumptions used, results and conclusion of the impairment assessment for the financial year ended are discussed and disclosed in note 24 to the financial statements.</p>	<p>The goodwill from the Group's investment in VADS Berhad Group and webe Group remain the two most significant ones for the Group.</p> <p>In getting the necessary comfort over the carrying value of these two investments, BAC is provided the necessary update from the annual impairment review exercise carried out by Management on these investments, the key parameters used and assumptions applied in projecting future cash flows.</p> <p>Reasonableness is also tested through flexing and sensitising the resulting uplift or downwards movement in the valuation and analysing breakeven points of the valuation with changes of key parameters. Appropriate benchmarking against the telecommunication industry and comparable peers are also done.</p> <p>Resulting from this, the necessary disclosures for inclusion in the Group's financial statements and Integrated Annual Report are also scrutinised in assessing the adequacy of the disclosures made for due understanding and relevance of key stakeholders in providing the necessary future outlook over the carrying value of the goodwill.</p>

Regulators and our financial reporting

The quarterly financial result reports, upon approval by the Board were disseminated to the public through Bursa Securities and the relevant regulators, Securities Commission (SC) and Malaysian Communications and Multimedia Commission (MCMC).

During the year in review, the announcements on the Company's financial results to Bursa Securities were made during trading break hour of 12:30 p.m. – 1:30 p.m. on the date of the Board approval of the financial results.

Simultaneously, the distribution of the financial results to the relevant regulators were made through multiple electronic systems as prescribed by the said regulators.

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.

BAC scored a rating of 3.5 out of 4.0 in the BEE 2017, indicating the effective and professional discharge of its duties and responsibilities to the benefit of the Company.

TM Board agreed that the BAC has continued to show strong performance over the years. The BAC members, as indicated in their profiles illustrated on pages 93 to 96 inclusive, have sound judgement, objectivity, independent attitude, management experience, professionalism, integrity, knowledge of the industry and are financially literate. With balanced diversity of skills and experience, they have discharged their duties and responsibilities with excellence. TM Board further agreed to maintain the composition of the BAC.

Training

During the year, BAC members attended various conferences, seminars and training programmes 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 specifically in relation to accounting and auditing standards.

On 5 March 2018, BAC members were given an in-depth briefing on the new MFRS, 9, 15 and 16, on how it would affect and impact our financial reporting and business moving forward.

The 2017 BEE shows that the BAC members were able to maintain a high level of technical competency and generally keep themselves abreast of technical changes and updates.



RISK COMMITTEE (BRC)



Chairperson

Tunku Afwida Tunku Dato' A. Malek
Independent Non-Executive Director

Members

> **Datuk Bazlan Osman**
Executive Director/Deputy Group Chief Executive Officer
Non-Independent Executive Director

> **Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor**
Independent Non-Executive Director

> **Gee Siew Yoong**
Independent Non-Executive Director

> **Balasingham A. Namasiwayam**
Independent Non-Executive Director

Key Objective

BRC was established to oversee the Company's risk management framework and policies. BRC also monitors key business risks to safeguard shareholders' investments, TM's interests and assets and managing stakeholders' concerns on risks matters.

Membership

During the year, BRC's composition was rationalised as follows:

- Cessation of Dato' Ibrahim Marsidi as Chairman and member on 30 April 2017.
- Appointment of Tunku Afwida Tunku Dato' A. Malek as Chairman and member effective 30 April 2017.
- Appointment of Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin as a new member effective 30 April 2017 and his resignation on 31 December 2017.

The changes in its membership did not affect BRC's strength. It continues to have productive engagement on risk issues that might have possible impact on the Group.

The Vice President of Group Business Assurance, who also acts as Head of Risk Management Unit, attended the BRC meetings as permanent invitee. BRC has agreed for the CSO to be a permanent invitee to BRC meetings to provide clarity on the strategy and actions taken by TM Group. Other attendees, external or internal, were invited to attend all or part of meetings as and when appropriate and with the consent of the Chairman, to facilitate BRC business.

Responsibilities

BRC is responsible to enhance the CG practices of TM Group with focus on risks issues and assist the Board in overseeing a sound and robust Enterprise Risk Management (ERM) framework and policies for TM Group.

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

Overview

BRC oversees the following:

- the review of policies and plans for risk management.
- the effectiveness of implementation of the policies.
- the adoption of appropriate steps for potential or unpredictable risks.
- risks are managed within the appropriate and adequate levels of tolerance as approved by the Board.
- the risk management plans are widely disseminated throughout the Group and integrated in the Group's day-to-day activities.

BRC continues to liaise closely with the GIA and BAC to exchange information relevant to risk. It has assisted the Board to continuously review and improve the systems and processes. It continued to be proactive in highlighting risk issues, and was open in discussing its views and/or reservations and provided guidance to Management on the risk controls to mitigate and/or pre-empt the risks. Management has been well guided by BRC's views and advice in managing and monitoring the Group's corporate risks.

Main Activities of BRC in 2017

During the year, BRC continues to be active and undertook the following activities:

- Reviewing the Corporate Risk Reporting format to facilitate better focus on key and strategic risk that have potential significant impact on the Group.
- Reviewed and advised on performance of a subsidiary in terms of its products and go to market strategy to meet customer needs and technology requirements.
- Monitoring the ERM practice and continued promoting its benefits to the state level by holding risk assessments and awareness programs.
- Reviewing ERM Corporate risk dashboard and mitigation of a subsidiary and provide advice and guidance on mitigation of key business risks.
- Monitoring TM Corporate Risk Dashboard and prioritised key strategic risk issues for further analysis and mitigation.
- Maintaining the Management of Enterprise Risk, Compliance, Insurance, Incident and Information Security (MERCIS) system to record and monitor risks in line with TM's digitalisation journey.

BRC Effectiveness Review and Performance

BEE 2017 results maintained that the BRC has been effective in carrying its duties. It is highly proactive in engaging on the Group risk issues.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION, INTERACTION AND RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges the importance of an effective, transparent and regular communication with its stakeholders, institutional investors and the investing public at large to provide a clear picture of the Group's performance and position. TM is committed in maintaining high standards in the dissemination of relevant and material information on the Group in order to maintain effective, comprehensive, timely and continuing disclosure of information.

The Board has established an Internal Communication Policy and Best Practices to facilitate the handling and disclosure of material information in a timely and accurate manner. 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. The Company has also adopted the Corporate Governance Guide (3rd Edition) issued in December 2017 by Bursa Securities.

In 2016, TM has embarked on its integrated reporting journey to develop a strategic corporate reporting approach based on the International Integrated Reporting Council's International Integrated Reporting Framework. As a key channel of communication between the Group and its stakeholders, the IAR contains a comprehensive report on the Group's direction and financial performance, providing disclosure beyond the requirements of the Main LR in promoting better governance. Our Company will further enhance the reporting to be a fully Integrated Annual Report based on the requirements moving forward.

CONDUCT OF GENERAL MEETING

Another significant avenue of communication and dialogue with shareholders is TM's general meetings, in particular the AGMs. During the AGM, the MD/Group CEO presents a comprehensive review of the Group's performance and value created for shareholders as well as current developments of the Group. This review is supported by a visual and graphic presentation of the key points and financial figures. Questions raised by the Minority Shareholders Watchdog Group prior to the AGM are also shared with all shareholders during the AGM together with feedback on pertinent issues and queries relating to the Company's business. The presentations are uploaded onto the Company's website upon conclusion of the AGM.

In line with MCCG 2017's principle in encouraging shareholders' engagement with Board and Senior Management of the Company and participation in general meetings, the notice for the 33rd AGM has been enhanced to include all relevant information with regard to shareholders' rights at the general meeting and Management has endeavour to issue the notice 28 days prior to the meeting.

The Board encourages active participation by shareholders and investors during the AGM. Attendance at the Company's AGM continues to be high as evidenced by the presence of 3,031 shareholders, proxies and corporate representative representing 68% of our total ordinary shareholding at the 32nd AGM of the Company held on 26 April 2017.

Upon commencement of the general meeting, the Chairman explained the rules, including voting procedures that will govern the meeting. The Chairman also identified and reminds interested parties who should abstain from voting on particular proposals, prior to the voting on the proposal. The Company also engaged independent scrutineers, Symphony Corporatehouse Sdn Bhd to man the poll stations, count, audit and validate the votes for each proposal presented to shareholders. All resolutions tabled at the 32nd AGM in 2017 were voted by poll.

At the general meeting, shareholders have encouragingly taken the opportunity to raise questions on the agenda items of the AGM. Appropriate answers and/or clarification are provided by the Board members, Committee chairmen or Senior Management. A press conference was also held immediately after the AGM at which the Chairman, MD/Group CEO, Group CFO and relevant Senior Management are present to clarify and explain issues raised by the media.

Voting for the resolutions laid for the coming 33rd AGM shall continue to be by electronic polling or e-polling. Shareholders shall be able to cast a vote for each of the shares held by them.

COMPLIANCE STATEMENT

This Statement together with the Sustainability Report and CG Report set out the manner in which the Company observes the Intended Outcome as prescribed in MCCG 2017.

The Board remains steadfast in strengthening its governance practices to safeguard the interests of all its stakeholders.

This Statement is made in accordance with the resolution of the Board of Directors duly passed on 12 March 2018.



Directors' Statement on Risk Management and Internal Controls

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), the Boards of listed companies are required to include in their annual report, a "statement about the state of internal control of the listed issuer as a group". Accordingly, TM's Board of Directors ("Board") is pleased to provide the following statement that has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control within TM Group during the financial year under review.

Internal Audit (GIA) function. The BAC's ToR is stipulated in the Board Charter which is accessible in the Company's website. The main duties of the BAC in assessing the adequacy and effectiveness of the internal control systems implementation within the Group are detailed on pages 133 to 139.

Other Board Committees such as the Nomination and Remuneration Committee, Tender Committee and Investment Committee are also established with clearly defined duties and responsibilities to oversee various key business activities involved within the Group. The Board acknowledges that it remains responsible for all the actions of the committees with regard to the execution of the delegated roles, including the outcome of the review and disclosure on key risks and internal control systems in this integrated annual report.

RESPONSIBILITY AND ACCOUNTABILITY

The Board

The Board is responsible for the establishment as well as oversight the Group's risk management framework and internal control systems that are designed to manage the Group's risk appetite within acceptable levels of tolerance as set by the Board and Management, rather than eliminate totally the risk of failure to achieve the Group's goals and objectives in generating returns to shareholders. The Board periodically reviews the effectiveness and adequacy of the framework and systems by identifying, assessing, monitoring and communicating key business risks to safeguard shareholders' investment and the Group's assets.

The two committees at the Board level that have primary risk management and internal control oversight responsibilities are:

- **Board Risk Committee (BRC)**

The main responsibility of the BRC is to assist the Board in ensuring a sound and robust Enterprise Risk Management framework and its implementation to enhance the Group's corporate governance practices with focus on risk issues. The Terms of Reference (ToR) and main duties of the BRC in relation to risk management are incorporated in the Board Charter which is accessible on the Company's official website at www.tm.com.my.

- **Board Audit Committee (BAC)**

The main responsibility of the BAC is to assist the Board in assessing the effectiveness of the Group's internal control systems and overseeing the financial reporting. BAC also reviews the adequacy and integrity of the Group's internal control systems and management information systems, including compliance with applicable laws, rules, directives and guidelines through Group

Management

Management is accountable to the Board and responsible for implementing the processes of identifying, evaluating, monitoring and reporting of risks and the effectiveness of internal control systems, taking appropriate and timely corrective actions as required. The Management has assured the Board that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the risk management framework and internal control systems adopted by the Group. In respect of risk management, Management has implemented the necessary processes to:

- identify and analyse the risk appetite relevant to the business and determine the level of risk tolerance towards the achievement of the Group's objectives and strategies;
- design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identify changes to risks or emerging risks, take appropriate actions and bring these promptly to the attention of the Board.

RISK MANAGEMENT

Risk Management Framework

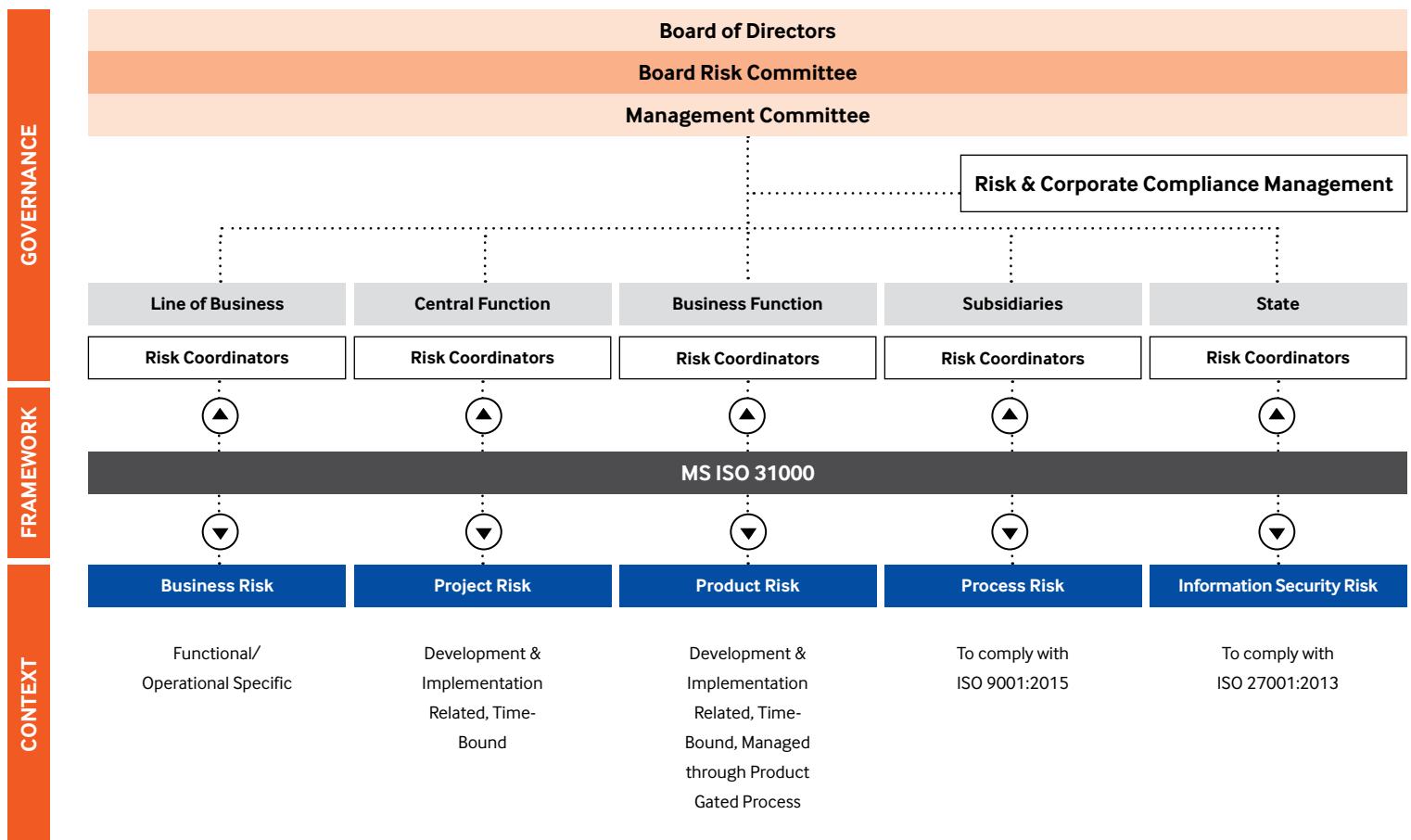
TM has adopted the MS ISO 31000 Risk Management Standard which serves as a guideline for identifying, evaluating, managing and monitoring significant risks by the Group in order to align its risk management process with industry best practices. Figure 1 illustrates TM's risk management framework.

FIGURE 1: MS ISO 31000



The risk management practice has been implemented throughout TM including its subsidiaries to support convergence and the PERFEXE 10 execution model. Figure 2 below illustrates TM's risk management governance, context and framework.

FIGURE 2: TM'S ENTERPRISE RISK MANAGEMENT (ERM) GOVERNANCE AND FRAMEWORK





Directors' Statement on Risk Management and Internal Controls

TM's ERM structure spans the entire organisation, from the Board right down to the operational level. Through such architecture, material risk is consolidated from all Business Segments to the Management Committee, escalated up to the Board Risk Committee (BRC) and finally to the Board. Risk Coordinators are handpicked at every Line of Business (LOB), central function, business function and subsidiary to coordinate the risk management activities as well as support the building of a risk awareness culture. In all risk management activities, the role of staff is always emphasised.

Risk Appetite

A key BRC focus on effective risk oversight is to approve the Board's acceptable corporate risk appetite as identified and reviewed by the Group. Operational level risk will be based on

either the approved tolerance in Corporate Risk Appetite by BRC or to customise its own risk appetite (Customised Risk Appetite) to align with its strategic objectives.

To ensure uniformity and clear understanding on the risk appetite process, the Group has established risk appetite guidelines which have been communicated through a series of engagements and awareness sessions. It contains the risk appetite statement that emphasises TM's commitment to allocate necessary resources in ensuring risks are managed within acceptable levels, ensuring sustainable profitability and upholding TM's reputation/brand to safeguard the Company's assets and enhance shareholder value. The process of establishing the risk appetite is depicted in Figure 3 below:

FIGURE 3: TM'S RISK APPETITE ESTABLISHMENT PROCESS



Corporate Risk Selection Methodology

The Corporate Risk Selection Methodology was introduced with the objective of optimising the Board Risk Committee (BRC) and Management Committee meetings by focusing and deliberating on key risk issues. Through this approach, corporate risks that meet any of the predefined criteria will be identified and reported in the Corporate Risk Dashboard for Board and Management Committee attention as depicted in Figure 4 below. Risks that do not qualify for escalation to the Board and/or Management Committee level, will be monitored and reviewed by the respective divisions.

Exposure to compliance risk is monitored through the Corporate Compliance Dashboard with potential and actual impacts of non-compliance presented to BRC.

INTERNAL CONTROL SYSTEMS

The Board acknowledges that the internal control systems are designed to manage and reduce risks that will hinder the Group from achieving its goals and objectives. It provides reasonable assurance against the occurrence of any material misstatement of management inclusive of financial information, business, operational, environmental, compliance and financial losses or fraud. The internal control systems are embedded within the Group’s operating activities and exist for fundamental business reasons. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The internal control systems are developed based on the COSO (Committee of the Sponsoring Organisations of the Treadway Commission) Internal Control Integrated Framework. They are reviewed regularly throughout the year by the Board, taking into consideration any changes in regulation, applicable laws or the business environment to ensure the adequacy and integrity of the internal control systems.

Key elements of the internal control systems established by the Board that provide good governance and effective internal control systems include:

- **Clearly defined lines of responsibility and authority**

The Group has clearly defined lines of responsibility and authority to facilitate prompt responses in the continuously evolving business environment, effective supervision of day-to-day business conduct and accountability. These include a formal organisation structure and establishment of a Limit of Authority (LoA) matrix that clearly outlines the Board and Management’s limits and approval authorities across various key processes. The LoA is duly approved by the Board and subject to regular review and enhancement to ensure it reflects changes in accountability and the Group’s risk appetite.

- **Strategic Theme, Objectives and Core Values**

In achieving the Group’s vision to materialise “Life and Business Made Easier, for a better Malaysia”, Management has introduced the PERFEXE10 to accelerate convergence and empower digitisation in becoming the Convergence Champion. This is supported by internalisation of the Group’s KRISTAL Core Values, namely Total Commitment to Customers, Uncompromising Integrity and Respect & Care.

FIGURE 4: CORPORATE RISK SELECTION CRITERIA FOR BOARD AND MANAGEMENT ATTENTION



Principal Risks

A reporting format by risk cluster has been introduced in which risks have been categorised and prioritised based on their rating and impact, namely Strategic Risk, Financial Risk, Technology/System Risk and Operational Risk. The principal risks that have been clustered and are being monitored by the Board are listed in Figure 5 below.

FIGURE 5: TM’S PRINCIPAL RISKS, BASED ON RISK CLUSTER

Strategic	Financial	Technology/System	Operational
Regulatory Landscape	Forex Sensitivity	Inadequate Digital Enablers	Revenue Leakage
Loss of Reputation	Credit	Corporate Security Threat	Service Fraud
Competition	Revenue Gap		OSHE
Financial Loss due to Broadband Improvement Plan	Profitability Shortfall		Inadequacy of BCM
			Compliance



Directors' Statement on Risk Management and Internal Controls

- **Risk Management and Internal Control Policy Statement**

Our Risk Management and Internal Control Policy Statement is issued by the Board and Management to provide reasonable assurance that the Group will achieve our business objectives, safeguarding and enhancing shareholders' investments and the Group's assets. The Group CEO and Deputy Group CEO, Heads of Lines of Business, Heads of Business and Support Groups and the CEOs of TM subsidiaries are responsible for implementing the risk management framework and practices.

- **Establishment of Framework, Policy, Manual and Procedures**

- **Business Policy & Governance (BPG)**

TM's Business Policy & Governance (BPG) is the main reference document that outlines the overall business policies and governance with clearly defined process owners across key functional areas in the Group. The sub-policies, processes, procedures and guidelines are developed, periodically reviewed and maintained by the respective process owners to provide the details in supporting the overall policies and governance in BPG.

- **Insurance and physical safeguards**

Adequate insurance and physical safeguards for major assets are in place to ensure the Group's assets are sufficiently covered to minimise material loss against any mishap.

- **Business Continuity Management (BCM)**

The BCM Steering Committee chaired by the Group CEO is committed to enhancing service reliability and resilience via an improved BCM programme. The programme serves as guidance to identify potential adversities to the Group and its impacts to business operations. Subsequently, an overall framework is established to build organisational resilience with an effective response capability mechanism to safeguard the interest of TM's key stakeholders, reputation and brand.

- **Control Self-Assessments (CSAs)**

As TM moves up its risk maturity level, CSA allows employees to identify risks within their business environment and evaluate the adequacy and effectiveness of the internal control systems in place. Results from CSA feature as key information in identifying high-risk areas within the Group.

- **Management Committee and Group Leadership Team**

Two top level committees, namely the Management Committee (MC) and the Group Leadership Team (GLT) chaired by Group CEO with clear demarcation of roles in managing the Group's strategies and policies effectively. The MC focuses on providing guidance and making decisions on strategic matters, while the GLT concentrates on matters pertaining to business performance and ensures the effective execution and supervision over key operational issues.

- **Best Practice Committee (BPC)**

BPC is a Management committee that reports to the BAC. The BPC serves as a platform to update and discuss developments in best practices, corporate governance as well as statutory and regulatory requirements set by all statutory bodies and relevant authorities.

- **Recording to Reporting (R2R) Framework**

R2R is a non-compliance reporting framework adopted by Management to enhance the quality and integrity of the recording to reporting process by instilling and enforcing behaviour change across the organization. It serves as a mechanism for determining financial non-compliance incidents, the arising consequence management and at the same time promotes awareness of compliance and increase senior management's accountabilities.

- **The People Compliance Committee (P2C)**

The People Compliance Committee (P2C) was established to serve as the governing body to address audit issues on employees committing non-compliances. The P2C aims to instil a high standard of integrity, provide continuous awareness to the employees in developing high working compliance culture and establish clear lines of accountability in TM.

- **TM Tender Evaluation Centre (TMTEC)**

As part of the Group's continuous efforts to mitigate the risk of sensitive information leakage during tender evaluations, TMTEC was established at Menara TM to centralise all procurement evaluation activities. The location is equipped with enhanced physical and IT security systems for detection and integrated audit trail of tender documents and information movement.

- **Internal Control Incident (ICI)**

Periodic ICI reporting captures and disseminates lessons learnt from significant internal control incidents to Senior Management to prevent reoccurrences in other divisions and operating companies within the Group.

- **Audit and Business Assurance Committee (ABAC)**

The ABAC, comprises members of Senior Management from the respective LOBs and Support function and is chaired by the GCFO. ABAC monitors and tracks internal and external audit issues to ensure these are resolved in a timely manner and that all recommendations are implemented.

- **Ethics and Integrity**

TM is committed to conducting our business in an open, honest and ethical manner. Our Code of Business Ethics (CBE) has always been the main reference for all employees when dealing with various stakeholders; both internal and external. The Group's commitment to upholding integrity in carrying out its duties is evidenced by:

- Our Corporate Integrity Pledge which was signed on 27 April 2011 with the aim to build a culture of integrity within the workforce and to the best effort, ensure that TM is free from corruption.

- The Integrity Pact which was implemented in 2012. The Integrity Pact is a set of integrity declaration by TM employees, Procurement Committees as well as TM suppliers involved in procurement activities. Implementation of the Revised Integrity Pact for TM Business Partners features a reciprocal terms and conditions indicating TM's commitment to equally uphold the integrity practices when dealing with TM's Business Partners.
 - Procurement Ethics Rules & Practices to demonstrate greater transparency and cultivate ethical behaviours among employees, suppliers and business partners in procurement activities. The implications of non-compliance with the Procurement Ethics Rules & Practices will result in the imposition of necessary consequence management.
 - TM Anti-Corruption Guide, which supplements the CBE by setting out the policy statements and guidelines for all TM Employees in relation to improper solicitation, bribery or other corrupt activities and issues that may arise in the course of business. TM adopts a zero tolerance approach to all forms of corruption.
 - TM Integrity Movers i.e. the selection of 45 employees who have a master trainer programme to help them disseminate knowledge on ethics and integrity to others through knowledge sharing sessions.
 - Annual Declaration of Assets (DOA) and Integrity Agreement, requiring all Management and employees to declare their assets and interest via the online SAP platform which is aimed to create more transparent and accountable workforce.
- **Whistle-Blowing Policy**
The Whistle-Blowing Policy enables any employee or supplier to report actual or suspected malpractice, misconduct or violation of the Group's policies and regulations in a safe and confidential manner through the Ethics Line.
 - **Fraud Investigation and Management**
Internal investigations are carried out by Group Internal Audit and Corporate Investigation Unit (CIU) on any misconduct and corporate fraud committed by employees or parties who deal with TM. On the other hand, investigations on telecommunications fraud are carried out by the Fraud Management & Intelligence Unit (FMI) under Group Business Assurance.
 - **Customer & LOBs in Fraud Frontier (CLIFF)**
CLIFF was launched to provide a web-based fraud monitoring system to detect potential fraud as well as facilitate fraud case management. Irregularities detected are escalated to the relevant LOBs and business partners. Fraud detection covers voice, broadband and IPTV products across all LOBs

INTERNAL AUDIT

Group Internal Audit (GIA) is an in-house internal audit function that reports to the BAC with the objective of providing risk-based and objective assurance, advice, and insight designed to enhance and protect organisational value. GIA helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the

effectiveness of risk management, control and governance processes. During the financial year, the internal audit function provided continuous assurance that risks which may hinder TM's ability from achieving its objectives were being adequately evaluated, managed, monitored and mitigated. It further evaluated the effectiveness and efficiency of the governance, risk management framework and internal control systems and provided recommendations for improvement. The Management then followed through and reviewed the status of actions taken on recommendations made by the internal and external auditors.

Audit reviews are carried out on units that are identified through a risk-based approach, in line with the Group's objectives and policies in the context of its evolving business and regulatory environment, taking into consideration input from the Senior Management and the Board.

Further information on Internal Audit is provided on pages 148 to 149 of this integrated annual report.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has received assurance from the Group Chief Executive Officer, Deputy Group Chief Executive Officer and Group Chief Finance Officer that the Group's risk management framework and internal control systems were operating adequately and effectively, in all material aspects, during the financial year under review. Taking into consideration the Management Team's assurance and input from the relevant assurance providers, the Board is of the view that the risk management framework and internal control systems are satisfactory and adequate to safeguard shareholders' investments, customers' interests and the Group's assets and have not resulted in any material loss, contingency or uncertainty. TM's internal control systems do not apply to its associate companies, which fall within the control of their majority shareholders.

Nonetheless, TM's interests are served through representation on the boards of directors and Senior Management posting(s) to the various subsidiaries as well as through the review of management accounts received. These provide the Board with performance-related information to enable informed and timely decision-making on the Group's investments in such companies.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by paragraph 15.23 of Bursa Securities Berhad MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. This was performed in accordance with Recommended Practice Guide [RPG] 5 (Revised) issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal controls of the Group. RPG 5 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.



Statement of Internal Audit

Group Internal Audit (GIA) assists TM Group in achieving our business objectives by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management measures, control and governance processes. GIA provides independent, objective assurance and consulting services designed to enhance and protect organisational value. The internal audit charter approved by the BAC defines GIA's purpose, authority and responsibility.

GIA reports directly to the BAC to preserve its independence and objectivity, and ensure audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. BAC reviews and approves GIA's audit plans, annual budget and human resources requirements to ensure the function is well resourced and aligned with the Group's objectives. The CIA periodically reports on activities performed by GIA as well as key strategic and control issues observed to the BAC. In addition, the BAC approves and periodically reviews GIA's and the CIA's performance to observe their progress and achievements. CIA has an administrative reporting line to the MD/Group CEO which enables the requisite stature and authority of Internal Audit to fulfil its responsibilities.

GIA adopts the International Professional Practices Framework (IPPF)[®] inclusive of the mandatory elements – Core Principles for the Professional Practice of Internal Auditing, International Standards for the Professional Practice of internal Auditing of the Institute of Internal Auditors (IIA), the definition of Internal Auditing, and Code of Ethics – to manage its functions and perform the audit engagements.

Practices and Framework

GIA is guided by the internal policies, procedures and framework as well as the Internal Control Framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technology (COBIT) in assessing and reporting on the adequacy and effectiveness of the design, implementation and efficiency of the Group's overall system of internal controls, risk management and governance.

Scope and Coverage

GIA continues to adopt a risk-based audit plan approach to provide assurance to the Board that programmes being carried out have been prioritised based on the Group's strategies, objectives, key risks and core/priority areas. Input from various sources – inclusive of Enterprise Risk Management (ERM), Business Plan, past internal and external audits, Management and the Board – permits the identification of auditable risk areas. In 2017, the Group's audit universe expanded to include mobile and wireless.

During the year, GIA conducted reviews on governance, risk management and controls in the areas of finance, compliance, human resources, operations, project management, network and information technology as well as data analytics. Among the key areas covered were:

- Sales and marketing
- Service agreement management
- Customer experience management
- Credit management
- Product lifecycle management
- Service fulfilment management
- IT security and governance
- ID management
- Billing and revenue assurance
- Major project deliverables and management
- Procurement, inclusive of contract management
- Asset and customer premises equipment management
- Accounting and financial reviews

All internal audit reports were presented to the BAC with recommendations from GIA and feedback from Management. GIA subsequently monitor and verify the implementation status on a quarterly basis through the ABAC.

In addition to performing audit engagements, GIA has been actively involved with Management in developing compliance teams within management units, sharing best practices and its knowledge on internal auditing, risk management and internal controls.

Resources

A total of RM6.91 million was spent on internal audit activities in 2017. A summary of the internal audit costs are as follows:

Category	RM (million)	% of Total Cost
Manpower	6.3	91.1
Supplies and Material	0.08	1.2
Other operating costs	0.51	7.4
Depreciation	0.02	0.3
Total	6.91	100

All internal audit activities in 2017 were performed in-house by a group of 44 internal auditors from various backgrounds and competencies as follows:

Discipline	No. of Internal Auditors	Percentage %
Accounting and Finance	12	27
Information Technology	8	18
Engineering/Network	11	25
Marketing	4	9
Business Administration	6	14
Procurement/Human Resources	3	7
Total	44	100

INTERNAL AUDIT QUALITY

The CIA develops and maintains a Quality Assurance and Improvement Programme that covers all aspects of internal audit activities. The quality assurance programme assesses the efficiency and effectiveness of GIA processes and identifies opportunities for improvement via internal and external assessments.

GIA has a peer reviewer mechanism to ensure relevant, reliable and sufficient assessment to support audit engagement's results and conclusions. Peer reviewers with relevant expertise among Senior Auditors or the GIA Management team are selected to provide professional advice and ensure that all risk areas are adequately covered prior to communicating the final engagement results to the appropriate parties.

Professional Qualifications & Continuous Competency Development

GIA is committed to equipping TM's internal auditors with sufficient knowledge, skills and competencies to discharge their duties and responsibilities. The internal auditors are also encouraged to obtain appropriate professional certifications and qualifications. To date, 14 of our internal auditors hold a total of 29 certifications and qualifications between them. These have been awarded by various recognised professional bodies.

In 2017, the internal auditors attended 3,315 hours of external and internal training, seminars and workshops in multiple technical disciplines and internal soft skills training on leadership, communication and negotiation to enhance their job performance and career prospects.



Enterprise Risk Management

As the Company embraces convergence and digitalisation, our ERM governance and framework will play an increasingly vital role in assuring business sustainability and profitability.

Our Risk Management practices provide reasonable assurance that the Company is identifying and evaluating risks that might impact our business, and that those risks are being addressed and mitigated accordingly. The Management Committee identifies, evaluates, addresses and tracks corporate risks while the Board Risk Committee ensures that the

Company's corporate risk profile is reviewed periodically and that proper controls are in place to address them.

The ERM framework has been enhanced by implementing a forward-looking risk management approach which involves anticipating and monitoring not only current risks but also risks which might arise in the near future. This will assist the Company in managing risk eventuality at an early stage before it escalates. Our forward-looking risk outlook, meanwhile, provides important signals on future risks through the following methodology:

INTEGRATING ALL ELEMENT TO FORMULATE RISK OUTLOOK



We have also strengthened our ERM practice by implementing Corporate Risk Selection Criteria to provide focus on core risk issues. Corporate risks that meet any of the predefined criteria will be identified and reported in the Corporate Risk Dashboard for Board and Management Committee attention. These criteria can be found in the Directors' Statement on Risk Management and Internal Control on pages 144 to 145.

For ease of reporting, in 2017 we clustered our Corporate Risks into four main categories, namely Strategic Risk, Financial Risk, Technology/System Risk and Operational Risk. Emerging risks that could potentially affect TM's bottom line are also highlighted. These include risks related to our digitalisation journey.

Summary of Principal Activities:

In 2017, TM carried out various activities to increase the maturity and level of awareness among our risk fraternity. They include the following:

- Communication and engagement initiatives - such as Risk Fraternity Huddle, quarterly Risk Monitor e-newsletters, and engagement with Risk Champions as well as ERM resource persons.
- War game scenario exercise involving Top Management to better prepare the Company for future risks and eventualities.
- Refresher sessions to encourage better use of the MERCIS risk system, covering five modules ie Risk, Compliance, Insurance,

- Incident and Information Security Management System.
- Mega ERM workshop organised by TM ONE to unearth hidden risks and related root causes, which was essential in view of the recent transformation initiatives.
- State Risk Assessments, expanding our risk assessment practices to cover states nationwide.
- Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT) workshop on terrorism awareness for senior management, security and risk fraternities.
- Process risk assessment, thus widening the scope of ERM to divisions undergoing migration to the new revised ISO 9001:2015 certification.

Managing Our Corporate Risks

Through the implementation of our ERM framework and best practices, we were able to identify, assess, mitigate and monitor corporate risks encountered throughout 2017, and ensure these were adequately managed across the Company.

Competition and Revenue Erosion

In response to intense competition and revenue erosion, we rolled out a new execution model – PERFEXE 10 – to improve our customer focus hence gain their trust; enhance branding with a single unified brand; and align TM ONE's business vertically to prioritise go-to-market strategies.

Fraud

Fraud risk in TM encompasses service and staff fraud. There have been several cases of unauthorised withdrawal of cables from TM stores and misuse of TM staff identification to grant special offers to ineligible customers. We continue to implement necessary controls and validation systems, including in our online systems, to prevent such incidents.

Compliance

To enhance and strengthen our corporate compliance management, we established a Corporate Compliance Steering Committee (CCSC) and Compliance Project Management Office (Compliance PMO). The Steering Committee is responsible for reviewing business cases for compliance initiatives, debottlenecking issues and for recommending additional compliance initiatives. The Compliance PMO, meanwhile, identifies and resolves potential risk issues and common problems across compliance action plans.

Corporate Security Threat

- Cable Theft**
 The incidence of cable theft has continued to decrease due to effective controls such as anti-cable theft features for underground and overhead cables, installation of alarm systems focusing on hot-spots and strategic patrolling activities in collaboration with the Royal Malaysia Police.
- Logical/Cyber Security**
 2017 saw numerous infamous cases of global cyber-attack, including a malware attack named 'Ransomware'. To protect our business, we have further enhanced our logical security controls through the establishment of a 24/7 Security Operation Centre and a Security Incident Response Team while upgrading our firewalls to higher capacity. Continuous updates were also provided to TM employees, guiding them to prevent and counter cyber threats.

Credit Risk

On top of controls already in place to verify genuine customer acquisition through biometric validation, we further enhanced our end-to-end credit management activities in 2017 through the following activities:

- unifi – we promoted our autopay facilities; minimised the inconvenience of service suspension via close collaboration with the customer experience team; leveraged our contact centre capacity and capability to expand calls to good paymaster SME customers with delinquent status; and sent SMS notifications for bill readiness and payment due dates.
- TM ONE – we continued to monitor collections through analysis of customers with outstanding bills of more than six months with a focus on the top 20 customers by sector; and helped to clear credit balances through contra arrangements as well as initiating legal action against defaulters.
- TM GLOBAL - concerted efforts were made to monitor payments for special projects involving huge ad hoc billing with some agreed instalment plans.

We expect to further improve our collections in the near future via an enhanced credit management system. The system will provide tools to implement multiple collection strategies based on customer credit risk profiles and automation of credit reminders and notification.

Forex Sensitivity

The continued strengthening of the Ringgit throughout 2017 had a favourable impact on TM's foreign borrowings and procurement spending. Nonetheless, we maintained a cautious stand and took necessary controls in the form of financial hedging from borrowings (subject to favourable rate), while conducting procurement via e-bidding to obtain the best price and minimise adverse forex exposure.

OSHE

We are committed to taking every reasonable and practicable step to eliminate the risk of injury and health hazard at our work sites because we value life. Additionally, it helps to protect our business continuity and reputation. During the year we conducted compliance audits, awareness programmes for supervisors, and enforced our Safety Work Instructions (SWI) for working on towers and for hot work.

Inadequate Digital Enablers

We set up a 'Jemaah Digital' Council (JEDI Council), with support from Group Digital Centre (GDC) led by the Chief Digital Officer, to spearhead our digitalisation programmes to enhance the customer experience, improve process optimisation, and create new business opportunities. We also organised the TM Digital CX Summit 2017 to inculcate a digital way of working among employees.

Regulatory Landscape

Changes in the regulatory landscape may have a significant impact on our business operations. We therefore continued to engage with the regulators and work closely with other stakeholders to address any regulatory issues.

Revenue Leakage

Failure in billing processes, billing systems and human error may lead to revenue leakage and irrecoverable loss to TM. In 2017, financial loss due to revenue leakage was insignificant as compared to the industry's benchmark. Nevertheless, we continued to further control and mitigate our risk through the TM Revenue Assurance System (TRACE).

Broadband Improvement Plan (BIP)

Based on the Broadband Improvement Plan (BIP) announced by the Government in the 2017 Budget, fixed line broadband service providers were required to offer free speed upgrades at the same price starting from early 2017. We immediately rolled out and completed the upgrades of unifi customers as planned. In addition, we have introduced special packages for entrepreneurs and students. We will continue to engage the Government to provide more value services to support this initiative.

Emerging Risks

The proactive identification of emerging risks has better prepared the Company to face uncertainties and at the same time take advantage of any opportunities that may arise.

- Nationwide Fiberisation Plan (NFP)**
 The Government has launched a Nationwide Fiberisation Plan (NFP) to expand the country's fixed broadband infrastructure. This plan will also ensure the Government's target of doubling the speed of fixed broadband can be achieved. TM recently signed a Memorandum of Understanding (MoU) with Tenaga Nasional Berhad to realise the NFP.
- Digitalisation Risk**
 The digital market is borderless and characterised by low barriers to entry. This allows intense competition across the globe. Having one of the highest internet penetration rates in the region, Malaysia is quickly becoming an attractive market for new and established digital companies. To address the risk of intensifying competition, TM will liberalise digitalisation across the organisation, enabling a digital culture and accelerating Digitisation to Digitalisation (D2D) initiatives. This entails offering digitisation solutions developed internally to external customers as a new source of monetisation. There is a sizable market for these solutions, as it addresses common problems faced by our customers, especially enterprises.



Business Continuity Management

Facts at a Glance

Strengthening TM Business Continuity capability in support of the Convergence and Go-Digital customer journey

Embark on State BCM engagement - Inculcation of TM Business Continuity Management culture and best practices

Counter-Terrorism threat awareness programme for TM Senior Management

Today's digital lifestyle demands business resilience like never before. As individuals use more digital products and solutions to carry out their daily functions, the responsibility of the technology enablers to ensure uninterrupted service becomes greater.

As Malaysia's Convergence Champion, promising to share our customers' moments, we are fully aware of this. We recognise that to provide an exceptional customer experience we need to ensure uninterrupted fixed broadband, mobility, wifi, contents and Smart Services, at all times.

Towards this end, we are reinforcing the continuity of our own operations in an ecosystem that is seeing the emergence of more, and potentially more damaging, threats such as cyber invasion and terrorism in addition to that of natural disasters. We are strengthening all lines of defense with the most appropriate systems that would enable us to detect threats early, and take corrective action before any serious damage is done to our business or operations.

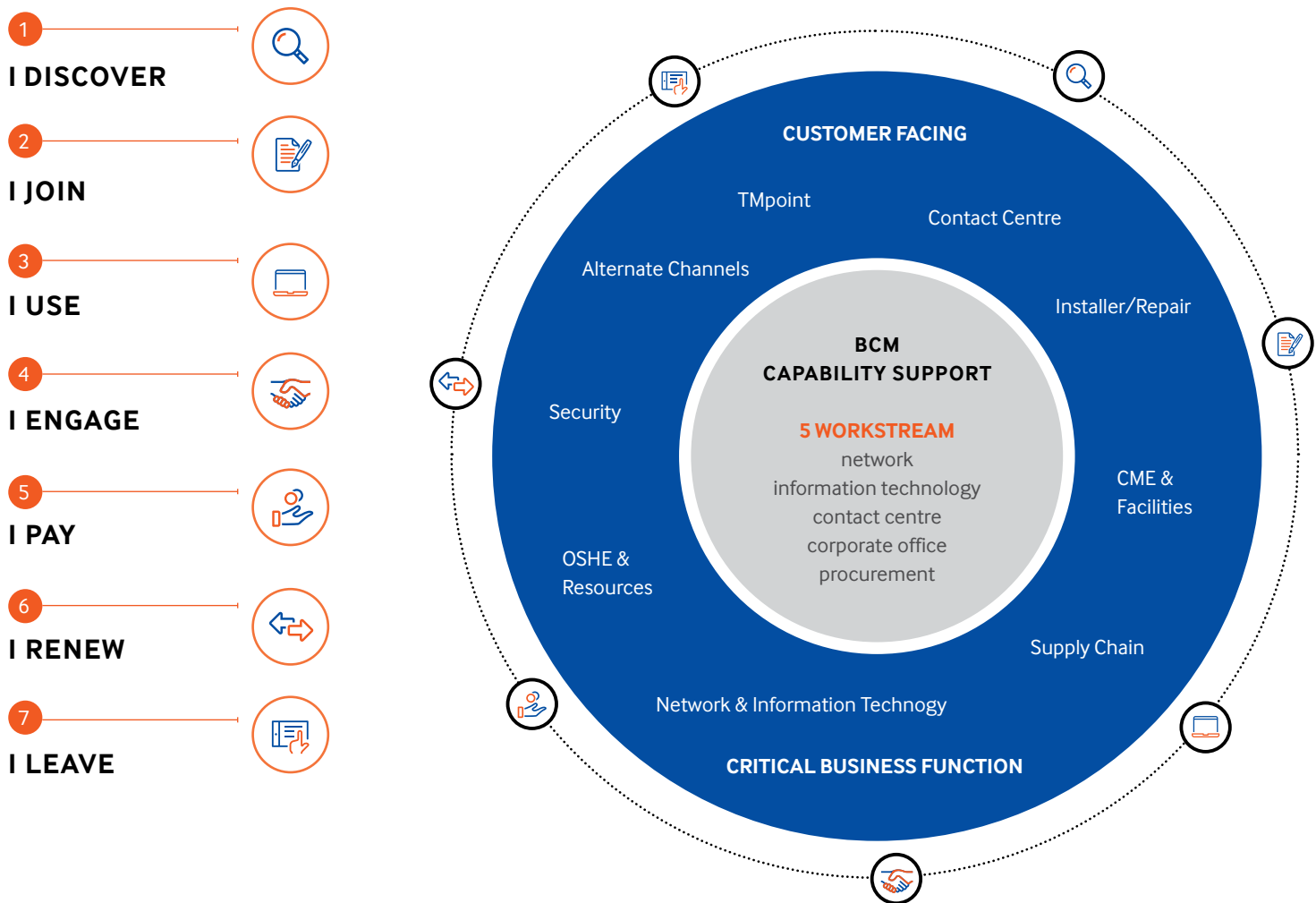
Our preventive mechanisms are founded on a robust Business Continuity Management (BCM) framework comprising appropriate systems and processes supported by clearly defined roles and responsibilities across the organisation, starting from the top. TM senior management is committed to maintain and lead enterprise wide implementation of business continuity. They demonstrate this by being directly involved in BCM processes while driving engagement with employees as well as with relevant stakeholder to instill a culture of best practices in business continuity. High levels of commitment, accountability and integrity have been shown by employees and stakeholders to support business continuity objectives and strategies in ensuring compliance to the BCM policy and standard.

FIGURE 1: TM BUSINESS CONTINUITY MANAGEMENT POLICY STATEMENT



The focus of our BCM is to strengthen up its business continuity capability across five main operational pillars namely Network, Information Technology, Contact Centre, Corporate Office and Procurement. We have designed a Business Continuity Plan (BCP) to keep enhancing customer experience and ensure the resilience of each pillar thus minimise the impact of any crisis or disaster. Through the BCP, we have identified each critical business functions, and these are prioritised in ensuring the continuity of operations, particularly our customer-facing services.

FIGURE 2: BUSINESS CONTINUITY CAPABILITY TO SUPPORT DIGITAL CUSTOMER JOURNEY



Towards embedding a BCM culture across the company, we are intensifying engagement with TM State Operations and require each to provide awareness on BCM programme. With the involvement TM States, we will be able to better strategise and synchronise all value inputs related to business continuity capability. Engagement with our state operations also enables the entire organisation to leverage on BCM best practices among all practitioners across divisions, states and subsidiaries.

FIGURE 3: STATE BCM ENGAGEMENT - INCULCATION OF TM BUSINESS CONTINUITY MANAGEMENT CULTURE



TM State Kelantan



TM State Terengganu



TM State Pahang



Business Continuity Management

The need for business continuity capabilities continues to increase due to the growing impact of business interruptions on organisations and a rise in the number of natural and man-made disaster incidents. All operational risks comprising cyber security and terrorist attacks related to the business operations need to be crucially managed and addressed. We recognised it is crucial to collaborate with relevant government agencies in the identification threat of violence as well as effective management of threats in telecommunication industry. This has seen members of TM senior management working closely with the relevant agencies and authorities to ensure these risks are properly mitigated.

During the year, we were involved in Counter-Terrorism Awareness conducted jointly by Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT), Ministry of Foreign Affairs as well as Royal Malaysian Police (RMP). The awareness programme focused on Standard Operating Procedures (SOPs) to counter terrorism including a demo session on combating terrorist and

detecting explosive devices. It also addressed issues of potential disruption at TM Key Points and Protected Places & Areas through sharing of important lessons learnt.

Moving Forward

Since TM Network Operation Centre (TMNOC) achieved the BCMS ISO 22301:2012 certification from SIRIM in 2016, we have embarked on efforts to certify the other critical pillars, namely Information Technology, Corporate Office, Contact Centre and Procurement for BCM best practise. Initiatives being undertaken include regular reviews of BCMS documentation, and gap analyses in order to foolproof our Business Continuity capability.

At the same time, we are expanding more effort on capacity building across the organisation, with a focus at the state level. Our efforts towards business resilience with the emphasise on capacity building are strengthened by the knowledge that our business continuity has an impact not only on TM but also our millions of customers and ultimately the nation as a whole.

FIGURE 4: TM SENIOR MANAGEMENT ATTENDING COUNTER TERRORISM THREAT AWARENESS PROGRAMME



Additional Compliance Information

in accordance with Appendix 9C of the Main LR of Bursa Securities

The following information is provided in compliance with the Main LR of Bursa Securities:

1.0 UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

In 2017, the Company issued an Islamic Commercial Paper (ICP) and an Islamic Medium Term Note (IMTN) as part of the ICP and IMTN programmes approved in 2013. A summary of the transactions and utilisation of the proceeds is tabled below:

Issuance Date	Type	Nominal Value (RM Million)	Maturity Date	Proceeds Utilisation
4 August 2017	ICP	475.0	4 September 2017	For capital expenditure and business operation requirements
4 September 2017	IMTN	500.0	3 September 2017	For capital expenditure and business operation requirements

[Disclosed in accordance with Appendix 9C, Part A, item 13 of the Main LR]

2.0 MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts or any contracts in relation to loans entered into by the Company and/or its subsidiaries involving the interests of the Directors, chief executive who is not a director or major shareholders either still subsisting as at 31 December 2017 or entered into since the end of the previous financial year ended 31 December 2016.

[Disclosed in accordance with Appendix 9C, Part A, items 21 and 22 of the Main LR]

3.0 LISTING OF PROPERTIES

The Company has on 3 May 2002, obtained a waiver from Bursa Securities from having to disclose detailed particulars of its properties for the Company's 2001 Annual Report and subsequent annual reports. The waiver is still subsisting to date.

The net book value of land and buildings, and usage of properties for the financial year ended 31 December 2017 is disclosed on pages 146 to 147 of the Financial Statements.

[Disclosed in accordance with Appendix 9C, Part A, item 25 of the Main LR]

4.0 RRPTS OF A REVENUE OR TRADING NATURE (RRPT)

At the 32nd AGM held on 26 April 2017, the Company had obtained a general mandate from its shareholders on the RRPT entered into by the Company and/or its subsidiaries as set out in the Circular to Shareholders dated 4 April 2017 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of the forthcoming 33rd AGM of the Company to be held on 26 April 2018.

Additional Compliance Information

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main LR, details of the RRPT entered into during the financial year ended 31 December 2017 pursuant to the said RRPT Mandate are as follows:

Transacting Companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Relationship	Nature of RRPT	Value of Transactions (RM'000)				
Our Company and/or our subsidiaries	Axiata Group	MOF Inc., Khazanah, Dato' Sri Dr. Mohamad Isa Hussain, Dato' Asri Hamidin @ Hamidon and Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil	In addition to their shareholdings in our Company, Khazanah and MOF Inc. have direct and indirect shareholdings of 37.26% in Axiata. Dato' Sri Dr Mohamad Isa and his Alternate, Dato' Asri, are representatives of MOF Inc. on our Board. Nik Rizal Kamil is Khazanah's representative on our Board.	<u>Revenue</u>					
				– Interconnect revenue from Axiata Group.	64,559				
				– Provision of leased-line services to Axiata Group.	10,595				
				– Provision of data and bandwidth related services to Axiata Group.	60,672				
				– Site rental for telecommunications infrastructure, equipment and related charges by our Group to Axiata Group.	57,351				
				– Provision of Internet access and broadband services to Axiata Group.	5				
				– Provision of contact centre and business process outsourcing services by VADS Berhad (VADS) to Axiata Group.	54,592				
				– Provision of fibre optic core and bandwidth services by Fiberail Sdn Bhd to Axiata Group.	2,315				
				– Provision of fibre optic, bandwidth, space and facility by Fibrecomm Network (M) Sdn Bhd (Fibrecomm) to Axiata Group.	1,644				
				– Rental of office premises to Axiata Group.	17,191				
				<u>Cost</u>					
				– Interconnect charges by Axiata Group.	70,002				
				– Leased-line charges by Axiata Group.	4,015				
				– Fibre optic and leased-line charges by Axiata Group to Fibrecomm.	1,041				
				– Core rental and mobile services from Axiata Group to TM Group.	5,768				
				– Domestic roaming charges by Celcom Axiata Berhad to TM Group.	272,517				
				– Site rental for telecommunications infrastructure, equipment and related charges by Axiata Group to TM Group.	685				
				TOTAL	622,952				
				Our Company and/or our subsidiaries	AMH Group	Khazanah and Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil	In addition to their shareholdings in our Company, Khazanah is a major shareholder of AMH with deemed interest of 20.70%. Nik Rizal Kamil is Khazanah's representative on our Board.	<u>Revenue</u>	
								– Provision of Data Centre services by VADS to AMH Group.	1,290
– Provision of internet access, broadband and fibre circuit services to AMH Group.	5,627								
– Provision of ICT products, radio transmission and connectivity services to AMH Group.	20,851								
<u>Cost</u>									
– Provision of content by AMH to TM Group.	0								
TOTAL	27,768								

Group Directory

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SUPPORT BUSINESS

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UNIVERSITI TELEKOM SDN BHD

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TMF AUTOLEASE SDN BHD

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PROPERTY MANAGEMENT

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PROPERTY OPERATIONS

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SECURITY MANAGEMENT

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Glossary

<p>A</p> <p>ABAC Audit and Business Assurance Committee</p> <p>ACA Asia Communication Award</p> <p>AGM Annual General Meeting</p> <p>AI Artificial Intelligence</p> <p>AIM Alternative Investment Market</p> <p>APPS Applications</p> <p>AR Account Receivable</p> <p>ARC Annual Report Competition</p> <p>ASEAN Association of Southeast Asian Nations</p> <p>ASN Anugerah Sukan Negara</p> <p>B</p> <p>BAC Board Audit Committee</p> <p>BCM Business Continuity Management</p> <p>BDM Batam-Dumai-Melaka</p> <p>BIC Board Investment Committee</p> <p>BIP Broadband Improvement Plan</p> <p>BNM Bank Negara Malaysia</p> <p>Board Board of Directors</p> <p>BPG Business Policy & Governance</p> <p>BPIP Board Performance Improvement Program</p> <p>BPO Business Process Outsourcing</p> <p>BRC Board Risk Committee</p> <p>BTC Board Tender Committee</p> <p>BVDP Bumiputera Vendor Development Programme</p>	<p>B2SJ Batam-Bangka-Jakarta-Singapore</p> <p>C</p> <p>CAPEX Capital Expenditure</p> <p>CBE Code of Business Ethics</p> <p>CEMT Customer Experience Management & Transformation</p> <p>CEREBRO Inventory Digitalisation</p> <p>CG Corporate Governance</p> <p>CLIFF Customer & LOBs in Fraud Frontier</p> <p>CMIEA Chief Minister's Industry Excellence Awards</p> <p>COINS Corporate Information Superhighway</p> <p>CPA Certified Practising Accountant</p> <p>CR Corporate Responsibility</p> <p>C-RAN Centralised Radio Access Network</p> <p>CSAs Control Self-Assessments</p> <p>CSR Corporate Social Responsibility</p> <p>CX Customer Experience</p> <p>D</p> <p>DMCS Dumai (Sumatera) Melaka Cable System</p> <p>DRAGON Digital Revolution-Agile on the Net</p> <p>DWDM Dense Wavelength Division Multiplexing</p> <p>E</p> <p>EBIT Earnings Before Interest and Tax</p> <p>EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation</p> <p>EES Employee Engagement Survey</p>	<p>EGM Extraordinary General Meeting</p> <p>ERM Enterprise Risk Management</p> <p>EYES Internal Mobile Apps</p> <p>F</p> <p>FCA Fellow Chartered Accountant</p> <p>FELDA Federal Land Development Authority</p> <p>FTTH Fibre-to-the Home</p> <p>G</p> <p>GDC Group Digital Centre</p> <p>GDRN GLC Disaster Response Network</p> <p>GHCM Group Human Capital Management</p> <p>GIA Group Internal Auditor</p> <p>GLC Government-linked Companies</p> <p>GLT Group Leadership Team</p> <p>GRI Global Reporting Initiative</p> <p>H</p> <p>HSBB High Speed Broadband</p> <p>I</p> <p>IBC In Building Coverage</p> <p>IBSS International Banking Summer School</p> <p>ICT Information & Communications Technology</p> <p>ICSA Institute of Chartered Secretaries and Administrators</p> <p>IIAM Institute of Internal Auditors Malaysia</p> <p>IIM Institute of Integrity Malaysia</p>	<p>IIRC International Integrated Reporting Council</p> <p>IIRF International Integrated Reporting Framework</p> <p>INED Non-Executive Director</p> <p>INTAN National Institute of Public Administration</p> <p>IOC Integrated Operations Centre</p> <p>IoT Internet of Things</p> <p>IPDC Iskandar Puteri Data Centre</p> <p>IPPF International Professional Practices Framework</p> <p>IPTV Internet Protocol Television</p> <p>IRDA Iskandar Regional Development Authority</p> <p>ISIS Institute of Strategic and International Studies</p> <p>ISP Internet Service Provider</p> <p>IT&NT IT and Network Technology</p> <p>K</p> <p>KHI Key Happiness Index</p> <p>KPI Key Performance Indicator</p> <p>KL2017 KL SEA Games 2017 and ASEAN Para Games 2017</p> <p>KVDC Klang Valley Core Data Centre</p> <p>L</p> <p>LOA Limit of Authority</p> <p>LOBs Lines of Business</p> <p>LTE Long Term Evolution</p> <p>LTIP Long-Term Incentive Plan</p>
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Glossary

<p>M</p> <p>MABC Malaysian Australian Business Council</p> <p>MACC Malaysian Anti-Corruption Commission</p> <p>Main LR Main Market Listing Requirements</p> <p>MAICSA Malaysian Institute of Chartered Secretaries & Administrators</p> <p>MAST Mobile Application Self Troubleshooting Tool</p> <p>MCCG Malaysian Code on Corporate Governance</p> <p>MCMC Malaysian Communications and Multimedia Commission</p> <p>MCT Malaysia-Cambodia-Thailand</p> <p>MDeC Multimedia Development Corporation</p> <p>MDSV Media Delivery Solutions Vertical</p> <p>MERCIS Management of Enterprise Risk, Compliance, Insurance, Incident and Information Security</p> <p>MFRS Malaysian Financial Reporting Standards</p> <p>MIDA Malaysia Industrial Development Authorities</p> <p>MIER Malaysian Institute of Economic Research</p> <p>MOF Minister of Finance</p> <p>MoU Memorandum of Understanding</p> <p>MSC Multimedia Super Corridor</p> <p>MSWG Minority Shareholder Watchdog Group</p> <p>N</p> <p>NACRA National Annual Corporate Report Awards</p>	<p>NADMA National Disaster Management Agency</p> <p>NEC Non-Executive Chairman</p> <p>NED Non-Executive Director</p> <p>NFP Nationwide Fiberisation Plan</p> <p>NFV Network Function Virtualisation</p> <p>NGBH Next Generation Backhaul</p> <p>NGO Non-Profit Organisation</p> <p>NINED Non-Independent Non-Executive Director</p> <p>NPS Net Promoter Score</p> <p>NRC Nomination and Remuneration Committee</p> <p>NSC National Security Council</p> <p>NSC National Sports Council of Malaysia</p> <p>NuGate Nusantara Gateway</p> <p>O</p> <p>OCM Olympic Council of Malaysia</p> <p>OSHE Occupational Safety, Health and Environment</p> <p>P</p> <p>PATAMI Profit After Tax and Minority Interests</p> <p>PBT Profit Before Tax</p> <p>PCCW Pacific Century Cyberworks</p> <p>PDB Petronas Dagangan Berhad</p> <p>PEMANDU Performance Management and Delivery Unit</p> <p>PERFEKE 10 TM Execution Moel 2018-2020</p>	<p>PIDM Malaysia Insurance Deposit Corporation</p> <p>PoP Point of Presence</p> <p>PPP Public-Private Partnership</p> <p>P2C People Compliance Committee</p> <p>R</p> <p>RAN Radio Access Network</p> <p>REHDA Real Estate & Housing Developers' Association</p> <p>RO Regional Offices</p> <p>R2R Recording to Reporting</p> <p>S</p> <p>SAT-3 South Atlantic-3 Cable System</p> <p>SC Securities Commission</p> <p>SDN Software Defined Network</p> <p>SEA-ME-WE3 (SMW3) South East Asia-Middle East-Western Europe Cable System 3</p> <p>SEA-ME-WE4 (SMW4) South East Asia-Middle East-Western Europe Cable System 4</p> <p>SEARCCT Southeast Asia Regional Centre for Counter-Terrorism</p> <p>SID Senior Independent Non-Executive Director</p> <p>SIRIM Standards and Industrial Research Institute of Malaysia</p> <p>SKR1M Sistem Kabel Rakyat 1 Malaysia</p> <p>SME Small Medium Enterprise</p> <p>SPINE Sustainable Performance & Network Improvement</p> <p>SUBB Sub-Urban Broadband</p>	<p>SWIFT Service Without Frontier</p> <p>T</p> <p>TMTEC TM Tender Evaluation Centre</p> <p>TM R&D TM Research and Development</p> <p>TRI*M Measurement of customer satisfaction index</p> <p>TSR Total Shareholder Return</p> <p>U</p> <p>USP Universal Service Provision</p> <p>UN SDG United Nation's Sustainable Development Goals</p> <p>Ux User Experience</p> <p>V</p> <p>VDSL Very-High-Bitrate Digital Subscriber Line</p> <p>W</p> <p>WiFi Wireless Fidelity</p> <p>Y</p> <p>YTM Yayasan TM</p>
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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-third Annual General Meeting (33rd AGM) of Telekom Malaysia Berhad (“TM” or “the Company”) will be held at the Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 26 April 2018 at 10:00 a.m. to transact the following businesses, with or without modifications:

As Ordinary Business

- 1.0 To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- 2.0 To re-elect the following Directors, who retire pursuant to Article 98(2) of the Company’s Articles of Association and being eligible offer themselves for re-election:
(i) Dato’ Sri Mohammed Shazalli Ramly **(Ordinary Resolution 1)**
(ii) Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil **(Ordinary Resolution 2)**
Please refer to Explanatory Note B
- 3.0 To re-elect the following Directors, who retire by rotation pursuant to Article 103 of the Company’s Articles of Association and being eligible offer themselves for re-election:
(i) Datuk Bazlan Osman **(Ordinary Resolution 3)**
(ii) YM Tunku Dato’ Mahmood Fawzy Tunku Muhiyiddin **(Ordinary Resolution 4)**
(iii) Datuk Zalekha Hassan **(Ordinary Resolution 5)**
Please refer to Explanatory Note C
- 4.0 To approve the payment of the following Directors’ fees with effect from the 33rd AGM until the next AGM of the Company:
(i) RM30,000 per month for the Non-Executive Chairman (NEC), RM20,000 per month for each Non-Executive Director (NED) and RM2,250 per month for Senior Independent Director (SID); and
(ii) RM15,000 per month and RM10,000 per month for NEC and NEDs respectively, of Tier 1 subsidiaries.
Please refer to Explanatory Note D **(Ordinary Resolution 6)**
- 5.0 To approve the payment of benefits payable to NEC and NEDs of the Company up to an amount of RM2,350,000 from the 33rd AGM until the next AGM of the Company.
Please refer to Explanatory Note E **(Ordinary Resolution 7)**
- 6.0 To re-appoint PricewaterhouseCoopers PLT (PwC), having consented to act as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration.
Please refer to Explanatory Note F **(Ordinary Resolution 8)**

As Special Business

- 7.0 To consider and if thought fit, to pass the following resolutions:
- 7.1 Proposed Renewal of the Authority for Directors to Allot and Issue Shares pursuant to Section 75 of the Companies Act, 2016 (CA 2016)

THAT subject always to the CA 2016, the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, where such approval is necessary, authority be and is hereby given to the Directors to issue and allot shares in the capital of the Company pursuant to Section 75 of the CA 2016, to any person other than a Director or major shareholder of the Company or person connected with any Director or major shareholder of the Company, at any time until the conclusion of the next annual general meeting, in such number and to such person and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued and paid up share capital of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued, **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next annual general meeting of the Company.

Please refer to Explanatory Note G **(Ordinary Resolution 9)**

Notice of Annual General Meeting

7.2 Proposed Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares in the Company (TM Shares) in relation to the Dividend Reinvestment Scheme (DRS)

THAT pursuant to the DRS approved at the Extraordinary General Meeting (EGM) held on 8 May 2014, approval be and is hereby given to the Company to allot and issue such number of new TM Shares for the DRS until the conclusion of the next annual general meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said new TM Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of TM Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of TM Shares at the material time;

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deemed fit and in the best interest of the Company.

Please refer to Explanatory Note H

(Ordinary Resolution 10)

7.3 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Renewal of Shareholders' Mandate)

THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Appendix I of the Company's Circular to Shareholders dated 28 March 2018 which are necessary for the day-to-day operations **PROVIDED THAT** such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT such approval shall continue to be in full force and effect until:

- (i) the conclusion of the next annual general meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (ii) the expiration of the period within which the Company's next annual general meeting is required to be held under Section 340(1) of the Companies Act, 2016 (CA 2016) (but shall not extend to such extension as may be allowed under Section 340(4) of the CA 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate.

Please refer to Explanatory Note I

(Ordinary Resolution 11)

7.4 Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Additional Shareholders' Mandate)

THAT in accordance with paragraph 10.09 of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Appendix II of the Company's Circular to Shareholders dated 28 March 2018 which are necessary for the day-to-day operations **PROVIDED THAT** such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT, such approval shall continue to be in full force and effect until:

- (i) the conclusion of the next annual general meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (ii) the expiration of the period within which the Company's next annual general meeting is required to be held under Section 340(1) of the Companies Act, 2016 (CA 2016) (but shall not extend to such extension as may be allowed under Section 340(4) of the CA 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) to give effect to the Proposed Additional Shareholders' Mandate.

Please refer to Explanatory Note J

(Ordinary Resolution 12)

7.5 Proposed Grant to Executive Directors pursuant to the existing Long Term Incentive Plan of the Company

a) Proposed Grant to Dato' Sri Mohammed Shazalli Ramly, Managing Director/Group Chief Executive Officer of the Company

THAT pursuant to the Long Term Incentive Plan (LTIP) of up to ten percent (10%) of the issued ordinary capital of the Company (excluding Treasury Shares, if any) for eligible employees and Executive Directors of the Company and its subsidiaries, as approved by the shareholders at the Extraordinary General Meeting (EGM) held on 28 April 2016, the Board (save for Dato' Sri Mohammed Shazalli Ramly) be and is hereby authorised, at any time and from time to time during the duration of the LTIP, to procure the allocation and grants to Dato' Sri Mohammed Shazalli Ramly, Managing Director/Group Chief Executive Officer of the Company, of up to 6,000,000 TM Shares under the LTIP, subject to the vesting conditions and such other terms and conditions of the By-Laws for the LTIP;

AND THAT the Board of Directors of the Company be and is hereby authorised to allot and issue new TM Shares pursuant to the LTIP to him from time to time pursuant to the vesting of his Grant.

Please refer to Explanatory Note K

(Ordinary Resolution 13)

b) Proposed Grant to Datuk Bazlan Osman, Executive Director/Deputy Group Chief Executive Officer of the Company

THAT pursuant to the Long Term Incentive Plan (LTIP) of up to ten percent (10%) of the issued ordinary capital of the Company (excluding Treasury Shares, if any) for eligible employees and Executive Directors of the Company and its subsidiaries, as approved by the shareholders at the Extraordinary General Meeting (EGM) held on 28 April 2016, the Board (save for Datuk Bazlan Osman) be and is hereby authorised, at any time and from time to time during the duration of the LTIP, to procure the allocation and grants to Datuk Bazlan Osman, Executive Director/Deputy Group Chief Executive Officer of the Company, of up to 5,400,000 TM Shares under the LTIP, subject to the vesting conditions and such other terms and conditions of the By-Laws for the LTIP;

AND THAT the Board of Directors of the Company be and is hereby authorised to allot and issue new TM Shares pursuant to the LTIP to him from time to time pursuant to the vesting of his Grant.

Please refer to Explanatory Note L

(Ordinary Resolution 14)

7.6 Proposed Adoption of a New Constitution of the Company in place of the existing Memorandum & Articles of Association (Proposed New Constitution)

THAT approval be and is hereby given for the Company to adopt the new Constitution in the form and manner as set out in Appendix III of the Circular to Shareholders dated 28 March 2018, in place of the existing Memorandum & Articles of Association;

AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any modifications, variations and/or amendments as may be required by any relevant authorities and to do all acts necessary to give effect to the Proposed New Constitution.

Please refer to Explanatory Note M

(Special Resolution 1)

8.0 To transact any other business for which due notice has been given in accordance with Section 340(1) of the CA 2016 and the Company's Articles of Association.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 33rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd (Bursa Depository) in accordance with Article 74(3)(a) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA) to issue a General Meeting Record of Depositors (ROD) as at 18 April 2018. Only a depositor whose name appears on the ROD as at 18 April 2018 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the Board

Hamizah Abidin (LS0007096)
Zaiton Ahmad (MAICSA 7011681)
Secretaries

Kuala Lumpur
28 March 2018

Notice of Annual General Meeting

NOTES:

Proxy and/or Authorised Representatives

1. A Member entitled to attend, speak and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy or representative may but need not be a Member of the Company. A member may appoint any person to be his/her proxy without restriction to the proxy's qualification.
2. A Member shall not be entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of SICDA, it may appoint at least one proxy but not more than two proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account. Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. Where a Member appoints two proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a Power of Attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney. If the proxy form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, and no notice of revocation has been received". If the proxy form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under a Power of Attorney which is still in force, and no notice of revocation has been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the proxy form.
5. A corporation which is a Member, may by resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 92 of the Company's Articles of Association.
6. The instrument appointing the proxy together with the duly registered Power of Attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrars, Symphony Share Registrars Sdn Bhd (378993-D), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 24 hours before the time appointed for the taking of the poll or **no later than on 25 April 2018 at 12:00 noon.**

The Share Registrars will also provide a box at the ground floor of its office building for drop-in of proxy forms.

7. **Explanatory Note A**
The Audited Financial Statements are laid before the shareholders pursuant to the provisions of Sections 266(1)(a) and 340(1)(a) of CA 2016 for discussion only and will not be put forward for voting.
8. **Explanatory Notes B and C**
Article 98(2) provides that any Director appointed during the year shall hold office only until the next AGM and shall then be eligible for re-election. The Directors shall not be taken into account in determining the Directors who are to retire on rotation at the AGM. Dato' Sri Mohammed Shazalli Ramly and Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil were appointed on 1 May 2017 and 30 April 2017 respectively and are standing for re-elections as Directors of the Company and being eligible, have offered themselves for re-elections.

Article 103 provides that one third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. All Directors shall retire from office once at least in each three years but shall be eligible for re-election. Three out of 10 Directors are to retire in accordance with Article 103. Datuk Bazlan Osman, YM Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin and Datuk Zalekha Hassan are standing for re-elections as Directors of the Company and being eligible, have offered themselves for re-elections.

The Board has conducted an assessment on the independence of the Independent Directors who are seeking re-election at this 33rd AGM, inclusive of their skills, experience, character, integrity, competency and contribution. The profiles of Directors seeking re-elections are set out in the Profile of Directors' section on pages 91 to 94. Details of the assessment of all Directors standing for re-election are provided on page 124.

9. Explanatory Note D and E

Section 230(1) of CA 2016 provides amongst others, that “fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders’ approval is sought for the payment of fees and benefits payable to NEC and NEDs, in two separate resolutions as follows:

- (i) Ordinary Resolution (OR) 6 on the payment of a revised Directors’ fees for the Company and Tier 1 Subsidiaries from the date of the 33rd AGM until the next AGM; and
- (ii) OR 7 on the payment of benefits payable to the NEC and NEDs from the 33rd AGM until the next AGM.

OR 6: Directors’ Fees

The shareholders had at the 32nd AGM held on 26 April 2017, approved the payment of directors’ fees with effect from the 32nd AGM until the 33rd AGM of the Company. The fees for the NEC and NEDs were last reviewed and approved at the 28th AGM held on 7 May 2013 with effect from 1 January 2012 following an independent review conducted by an external consultant.

After a lapse of six years, the Board is proposing a review of the existing directors’ fees, to ensure that the Company is able to attract and retain the right Board talent as well as motivate the Directors to drive the Company’s long-term objectives. The remuneration proposed takes into account the demands, complexities and performance of the Company as well as skills and experience required. Hence, the NEDs remuneration should reflect the increasing complexities of the duties, responsibilities, expectation and commitment of the work of the NEDs. The proposed review is to ensure that the remuneration is comparable with the prevalent market. For this purpose, an external consultant was engaged in October 2017 to undertake the benchmarking analysis and recommend the appropriate revised fees. In addition, the review takes into consideration the Report on NEDs Remuneration 2017 by a prominent audit firm.

The proposed review was comprehensively deliberated by the Board Nomination and Remuneration Committee (NRC) in January and February 2018, and was duly approved by the Board for tabling at the 33rd AGM for the shareholders’ approval. The proposal involve the revision to the Directors’ fixed fee only, to be effective from the 33rd AGM until the next AGM (Stipulated Period), as follows:

- (i) Increase of NEC fee from RM23,000 per month to RM30,000 per month; and
- (ii) Increase of NED fee from RM15,000 per month to RM20,000 per month.

The Board was of the view that the proposed increase is fair and reasonable as the directors’ fees had not been reviewed since 2012.

TM has also in place a Subsidiaries’ Board Remuneration Framework (SRF) in which subsidiaries are categorised into tiers based on its strategic, revenue and impact levels to TM, as well as focus of business. Based on SRF’s policy, directors’ fees for Tier 1 Subsidiaries has been set at 50% of TM’s Remuneration Framework. In view thereof, the fees for NEC and NEDs appointed on the boards of the Tier 1 Subsidiaries shall be revised from RM11,500 per month to RM15,000 per month for the NEC, and from RM7,500 per month to RM10,000 per month for the NEDs, for the Stipulated Period.

OR 7: Benefits Payable

Despite the trend for companies to introduce and pay retainer fees for Board Committees, NRC and TM Board agreed to maintain existing benefits. Benefits Payable applicable to NEC and NEDs pursuant to the Board Charter comprise meeting fee, emoluments and claimable benefits as stipulated below:

- (i) No revision proposed for the following existing meeting fee structure for Board and Board Committees:

	TM Board (RM)	Board Audit Committee (RM)	Nomination & Remuneration Committee (RM)	Board Tender Committee (RM)	Board Risk Committee (RM)	Board Investment Committee (RM)	LTIP Committee (RM)
Chairman	3,500	3,250	2,500	3,250	2,500	2,500	2,500
NED	3,000	2,500	2,000	2,500	2,000	2,000	2,000

Note: Board is authorised to determine the fees for ad-hoc Board Committees.

- (ii) No revision proposed for the following prevailing meeting fees under the SRF:

Category of TM Subsidiaries	NEC	NED	Committee Fee	
	Meeting Fee (RM)	Meeting Fee (RM)	Chairman Meeting Fee (RM)	Member Meeting Fee (RM)
Tier 1	1,500	1,000	500	300
Tier 2	1,500	1,000	Nil	Nil

- (iii) Customary benefits such as claimable benefits on annual overseas business development trips, leave passage, per diem travelling for foreign director, business equipment, telecommunication bills, insurance and medical coverage.

Notice of Annual General Meeting

In determining the estimated amount of benefits payable for the NEC and NEDs, various factors, including the number of scheduled meetings for the Board, Board Committees and Boards of subsidiaries as well as the number of NEDs involved in these meetings were considered.

Subject to the shareholders' approval of OR 6 and OR 7, the payment of fees and benefits throughout the Stipulated Period will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the NEC and NEDs to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company and its subsidiaries.

Any NEDs who are shareholders of the Company will abstain from voting on OR 6 and 7 concerning remuneration to the NEDs at the 33rd AGM.

10. Explanatory Note F

The Board Audit Committee (BAC) and the Board at their Meetings on 20 February 2018 and 27 February 2018 respectively have considered the re-appointment of PwC as Auditors of the Company and collectively agreed that PwC met the relevant criteria as prescribed by Paragraph 15.21 of the Main LR of Bursa Securities.

11. Explanatory Note G

The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the issued and paid-up capital of the Company, which was approved at the 32nd AGM held on 26 April 2017 and which shall lapse at the conclusion of the 33rd AGM to be held on 26 April 2018.

The proposed OR 9 is a renewal of the general mandate obtained from the shareholders of the Company at the previous AGM. In accordance with Section 75 of CA 2016, a renewal is sought from shareholders for Directors to issue and allot new shares in the Company of up to an amount not exceeding 10% of the issued and paid up share capital of the Company for such purposes as the directors may deem fit in the best interest of the Company including for any possible fund raising activities for the Company's working capital requirements and strategic investments.

This resolution if approved, will give the Company and its Directors the mandate and flexibility to issue and allot new shares in the Company for possible fund raising activities without the need to seek shareholders' approval via a general meeting subsequent to this 33rd AGM, which may delay the capital raising initiatives and incur relevant cost in organising the general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will be valid until the next AGM of the Company.

12. Explanatory Note H

The proposed OR 10 is for the proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS, until the conclusion of the next AGM.

13. Explanatory Note I & J

The proposed ORs 11 and 12, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on normal commercial terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at a general meeting.

14. Explanatory Note K & L

TM shareholders at the EGM held on 28 April 2016 has approved the allocation of TM Shares under the LTIP to then TM MD/Group CEO and ED/Group Chief Financial Officer. Under the Main LR, approvals of shareholders are required for any allocation to the Directors.

The proposed OR 13, if passed, will allow Dato' Sri Mohammed Shazalli Ramly, the new MD/Group CEO appointed on 1 May 2017 to participate in the LTIP. In addition, the proposed OR 14, if passed, will also enable Datuk Bazlan Osman to participate further in the LTIP based on his new designation as ED/Deputy Group CEO effective on 1 April 2017.

The proposed grant is the maximum number of TM Shares that may be vested to Dato' Sri Mohammed Shazalli Ramly and Datuk Bazlan Osman, subject to the meeting of stretched individual and company performance targets, at the point of vesting. Dato' Sri Mohammed Shazalli Ramly and Datuk Bazlan Osman, and persons connected to them will abstain from voting on this resolution, and they have also abstained from all deliberation and voting on this resolution at the Board Meeting.

The Board LTIP, NRC and TM Board (save for Dato' Sri Mohammed Shazalli Ramly and Datuk Bazlan Osman) have deliberated on the proposal and agreed that the proposed maximum allowable grant is fair and reasonable, to align the interest of the EDs with long-term shareholders' value enhancement and long-term success of TM Group.

15. Explanatory Note M

The Special Resolution 1, if passed, will streamline the Company's Constitution with the new provisions of the new CA 2016, amendments made to the Main LR and enhance administrative efficiency. The Board proposed that the existing Memorandum and Articles of Association be amended in its entirety by the replacement of a new Constitution in view of the substantial amount of the amendments. The Proposed New Constitution shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the 33rd AGM.

Statement Accompanying Notice of the 33rd Annual General Meeting

pursuant to Paragraph 8.27(2) and Appendix 8A of the Main LR of Bursa Securities

1. The profiles of the following Directors who are retiring pursuant to Article 98(2) of the Company's AA as per Ordinary Resolutions 1 and 2 of the notice of the 33rd AGM are stated in pages 91 and 93.
 - (i) Dato' Sri Mohammed Shazalli Ramly (Non-Independent Executive Director) [NIED]
 - (ii) Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil (Non-Independent Non-Executive Director)

2. The profiles of the following Directors who are retiring pursuant to Article 103 of the Company's AA as per Ordinary Resolutions 3, 4 and 5 of the notice of the 33rd AGM are stated in pages 92 to 94.
 - (i) Datuk Bazlan Osman (NIED)
 - (ii) YM Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin (Senior Independent Director) (SID)
 - (iii) Datuk Zalekha Hassan (Independent Non-Executive Director)

None of the above Directors has any interest in the securities of the Company, save for Datuk Bazlan Osman. The securities holdings and interest in shares of Datuk Bazlan Osman is disclosed on pages 23 and 143 of the Financial Statements.

None of the abovenamed Directors has any family relationship with any Director and/or major shareholder of the Company, save for Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil, who is an employee and nominee director of Khazanah, TM's major shareholder. They do not have any conflict of interests with TM, convicted for any offences other than traffic offences for the past 5 years, or have been imposed for any sanction or penalty by any regulatory bodies during the financial year ended 31 December 2017.

The two independent directors, Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin and Datuk Zalekha Hassan satisfy the criteria of independent directors as defined under Paragraph 1.01 of Bursa Securities' Main LR, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of the major shareholders.

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PROXY FORM



TELEKOM MALAYSIA BERHAD
(Company No. 128740-P)
(Incorporated in Malaysia)

"A"

I/We _____
(Full Name as per NRIC/Passport No./Certificate of Incorporation in capital letters)

Company No./NRIC No. (new) /Passport No. _____ (Old NRIC No.) _____

of _____
(Full address)

being a member of **TELEKOM MALAYSIA BERHAD** (128740-P) (the Company) hereby appoint: _____

with NRIC No. (new)/Passport No. _____ (Old NRIC No.) _____

of _____
(Full address)

or failing him/her _____

with NRIC No. (new)/Passport No. _____ (Old NRIC No.) _____

of _____
(Full address)

or failing him/her, the Chairman of the Meeting, as my/our **first** proxy/proxies to vote for me/us on my/our behalf at the Thirty-third (33rd) Annual General Meeting (AGM) of the Company to be held at Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 26 April 2018 at 10:00 a.m. and at any adjournment thereof.

"B" If you wish to appoint a second proxy, please complete this section.

I/We _____
(Full Name as per NRIC/Passport No./Certificate of Incorporation in capital letters)

Company No./NRIC No. (new)/Passport No. _____ (Old NRIC No.) _____

of _____
(Full address)

being a member of **TELEKOM MALAYSIA BERHAD** (128740-P) (the Company) hereby appoint: _____

with NRIC No. (new)/Passport No. _____ (Old NRIC No.) _____

of _____
(Full address)

or failing him/her _____

with NRIC No. (new)/Passport No. _____ (Old NRIC No.) _____

of _____
(Full address)

or failing him/her, the Chairman of the Meeting, as my/our **second** proxy/proxies to vote for me/us on my/our behalf at the 33rd AGM of the Company to be held at Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 26 April 2018 at 10:00 a.m. and at any adjournment thereof.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the respective proxies must be indicated below:	
	Percentage (%)
Proxy "A"	
Proxy "B"	
Total	100%

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

No.	Resolutions	OR/SR*	Proxy "A"		Proxy "B"	
			For	Against	For	Against
	Ordinary Business					
1.	Re-election of Dato' Sri Mohammed Shazalli Ramly pursuant to Article 98(2)	- OR 1				
2.	Re-election of Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil pursuant to Article 98(2)	- OR 2				
3.	Re-election of Datuk Bazlan Osman pursuant to Article 103	- OR 3				
4.	Re-election of YM Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin pursuant to Article 103	- OR 4				
5.	Re-election of Datuk Zalekha Hassan pursuant to Article 103	- OR 5				
6.	Payment of Directors' fees	- OR 6				
7.	Payment of benefits payable to Non-Executive Directors	- OR 7				
8.	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company and authorisation to Directors to fix their remuneration	- OR 8				
	Special Business					
9.	Authority for Directors to Allot and Issue Shares pursuant to Section 75 of the Companies Act, 2016	- OR 9				
10.	Proposed Renewal of the Authority for Directors to Issue Shares in relation to the Dividend Reinvestment Scheme	- OR 10				
11.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	- OR 11				
12.	Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	- OR 12				
13.	Proposed grant to Dato' Sri Mohammed Shazalli Ramly, MD/Group CEO of the Company	- OR 13				
14.	Proposed grant to Datuk Bazlan Osman, ED/Deputy Group CEO of the Company	- OR 14				
15.	Proposed adoption of a New Constitution of the Company	- SR 1				

* OR - Ordinary Resolution * SR - Special Resolution

Signed this _____ day of _____ 2018

No. of Ordinary Shares held	
CDS Account No. of the Authorised Nominee*	
Telephone No.	

* Applicable to shares held under nominee account only

Signature(s)/Common Seal of Member(s)

NOTES:

Proxy and/or Authorised Representative

1. A Member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy or representative may but need not be a Member of the Company. A member may appoint any person to be his/her proxy without verification to the proxy's qualification.
2. A Member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account. Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a Power of Attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney. If the proxy form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, and no notice of revocation has been received". If the proxy form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under a Power of Attorney which is still in force, and no notice of revocation has been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the proxy form.
5. A corporation which is a Member, may by resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 92 of the Company's Articles of Association (AA).
6. The instrument appointing the proxy together with the duly registered Power of Attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 24

hours before the time appointed for taking of the poll or no later than 25 April 2018 at 12.00 noon. The Share Registrar will also provide a box at the ground floor of its office building for drop-in of proxy forms.

Members entitled to Attend

7. For the purpose of determining a Member who shall be entitled to attend the 33rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 74(3) of the Company's AA and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors (ROD) as at 18 April 2018. Only a depositor whose name appears on the Register of Members/ROD as at 18 April 2018 shall be entitled to attend, speak and vote at the said meeting or appoint proxy/proxies to attend, speak and/or vote on his/her behalf.

Personal Data Privacy

8. By submitting the duly executed proxy form, the Member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

Voting

9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 33rd AGM will be put to vote on a poll.

2. Fold this flap to seal

The Share Registrar
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Malaysia

AFFIX STAMP
RM0.80 HERE

1. Fold here

