

# MAXIS BERHAD

Registration No. 200901024473 (867573-A)

## BOARD CHARTER

## CONTENT

No	Subject	Page No
1	Introduction	3
2	Objectives	3
3	The Board	3
3.1	Board Membership	3
3.1.1	Composition and Board Balance	3
3.1.2	Appointments	4
3.1.3	Re-election	4
3.1.4	Independence	5
3.1.5	Other Directorships	5
3.1.6	Directors' Remuneration including Policy on Directors' Remuneration, Expenses and Reimbursement	6
3.1.7	Directors' Trainings and Continuing Education	6
3.2	Board Role	6
3.2.1	Duties and Responsibilities	6
3.2.2	Discharge of Directors' Duties	7
3.2.3	Matters Reserved for the Board	7
3.2.4	Chairman and Chief Executive Officer	8
3.2.5	Board Committees	9
3.3	Meeting of the Board and Supply of Information	10
3.4	Access to Information/Advice	11
4	Company Secretary	11
5	Investor Relation and Shareholders Communication	12
6	Code of Business Practice, Anti-Bribery & Corruption, Whistleblowing, Conflict of interest and Related Party Transaction Policies	12
7	Dealings in Securities	14
8	Conflicts of Interest	14
9	Group Governance	14

10 Application 14

11 Review of the Board Charter 15

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## BOARD CHARTER

### 1. INTRODUCTION

The Board of Directors ("the **Board**") of Maxis Berhad ("**Maxis**" or "**the Company**") are committed to upholding the highest standards of corporate governance throughout the Company and its subsidiaries ("**the Group**"). The Board comprising the directors of the Company ("**Directors**") is guided as follows:

- The Board is the focal point of the Company's corporate governance system.
- The business and affairs of the Company are managed by the Directors within the powers provided under the Company's Constitution and Companies Act 2016 (the "**Act**");
- All Directors shall exercise their powers for a proper purpose and in good faith in the best interest of the Company; and
- This Board Charter shall constitute, and form, an integral part of each Director's commitments, duties, roles and responsibilities.

### 2. OBJECTIVES

This Board Charter sets out:-

- i. the role, functions, composition, operation and processes of the Board;
- ii. duties and responsibilities of the directors; and
- iii. principles and practices of good corporate governance that must be applied in all Directors' dealings with and on behalf of, the Company.

This Board Charter is a source of reference and primary induction literature to provide insights to prospective Board members and Maxis' senior management team ("Senior Management") on the matters set out in the preceding paragraph. In addition, it will assist the Board in assessing its collective

performance and that of each individual Director. The Board acknowledges that the Board has full and unfettered right to carry out its duties under law and full access to information and that this Charter is not intended to limit the Board's discharge of its duties in accordance with and as required by the applicable laws.

### 3. THE BOARD

#### 3.1 Board Membership

##### 3.1.1 Composition and Board Balance

3.1.1.1 The Board shall comprise members of high calibre and integrity with diverse professional backgrounds, skills, extensive experience and knowledge required for the successful direction of the Group. The Board has in place a Diversity Policy as published at <http://www.maxis.com.my/corp>. The composition of the Board shall at all times comply with the Constitution, the Act, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and other regulatory guidelines and requirements that are in force.

3.1.1.2 The Company's Constitution provides for a minimum of three (3) Directors and a maximum of fifteen (15) Directors. The number of independent Directors is subject to the applicable governance regulations and applicable laws.

3.1.1.3 The presence of the independent non-executive Directors is essential in providing unbiased and impartial opinions, advice and judgement to ensure that the interests, not only of the Group, but also of its shareholders, employees, customers, suppliers and other communities in which the Group conducts its business, where applicable, are well represented and taken into account. The independent non-executive Directors thus play a key role in corporate accountability and as a check and balance.

3.1.1.4 The Board shall identify, from among themselves, a senior Independent Director (“**SID**”) and the SID shall act as:-

- (i) a sounding board for the Chairman;
- (ii) an intermediary for other Directors when necessary; and
- (iii) a point of contact for shareholders and other stakeholders on any queries and concerns regarding the Group, including any reporting on any whistleblowing.

### 3.1.2 Appointments

- 3.1.2.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee ("**NC**"). In making these recommendations, the NC shall assess the suitability of candidates, taking into account, their qualifications, credentials and core competencies in order to, achieve, among other things, a Board which has the required mix of skills, knowledge, expertise and experience as well as their character, professionalism, integrity, time commitment and other qualities which the Director is able to bring to the Board to effectively discharge his/her role as Director of the Company as prescribed by the provision of the MMLR (including Paragraphs 2.20A and 15.05) from time to time.
- 3.1.2.2 The Company Secretary has the responsibility for ensuring that the relevant procedures relating to the appointment of new Directors are properly executed.
- 3.1.2.3 The directorships held by any Board member at any one time in both listed and non-listed companies shall not exceed the restriction in number or such other requirements as may be prescribed by the MMLR of Bursa Securities, the Act and Company's Constitution from time to time.

### 3.1.3 Re-election

- 3.1.3.1 The Constitution provides that all Directors who are appointed by the Board may only hold office until the following Annual General Meeting ("**AGM**") subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are required to retire by rotation at that AGM.
- 3.1.3.2 The Constitution also provide that one-third of the Directors are subject to retirement by rotation at every AGM but are eligible for re-election provided always that all Directors including the executive Directors shall retire from office at least once in every three years.
- 3.1.3.3 The NC and Board shall assess the Directors' standing for re-election to ensure that such Directors meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors of the Company.

### 3.1.4 Independence

- 3.1.4.1 The Board should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of the Company, free from interests and influences which conflict with that duty and are also independent of management.
- 3.1.4.2 The NC and Board assesses, bi-annually, the independence of each Independent Director in light of the interests they have disclosed and such other factors as the Board determines are appropriate to take into account in determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.
- 3.1.4.3 In the event the tenure of the independent Directors to be retained is beyond 9 years, such independent Director may continue to serve on the Board as a non independent Director. However, if the independent Director intends to remain in the position as independent Director, it will be subject to the shareholders' approval, assessment by the NC and strong justification from the Board on an annual basis, subject always that the said director shall not remain an independent director beyond a 12-year tenure.
- 3.1.4.4 Such independent Director shall continue to act as Director and to be re-designated as non-independent Director if shareholders' approval in accordance with 3.1.4.3 is not obtained.

### 3.1.5 Other Directorships

- 3.1.5.1 All Board members shall notify the Chairman of the Board before accepting any new directorships in any other organisation. The notification shall include an indication of time commitment required under the new appointment.

### **3.1.6 Directors' Remuneration**

- 3.1.6.1 The remuneration of the Directors (executive and non-executive) are subject to review and recommendation by the Remuneration Committee.
- 3.1.6.2 The determination of the remuneration of executive Directors will be a matter to be decided by the Board as a whole. The mechanism for remuneration for executive Directors is structured in a manner wherein an executive Director is rewarded based on the Company's performance and also individual performance.
- 3.1.6.3 Payment of Directors' fees and benefits (including compensation for loss of office) to non-executive Directors are subject to annual shareholders' approval. Directors may also be reimbursed for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of Directors or general meetings of the Company or otherwise howsoever in connection with the business of the Company in the course of performing their duties as Directors
- 3.1.6.4 The Board has in place a policy on Non-Executive Directors Fees, Expenses and Reimbursement as listed at <http://www.maxis.com.my/corp>

### **3.1.7 Directors' Trainings and Continuing Education**

In addition to the mandatory accreditation programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge their duties and sustain active participation during Board deliberations.

The Board, assisted by the NC, shall evaluate and determine the training needs of the Directors on an on-going basis, by determining areas that would best strengthen their contribution to the Board.



## 3.2 Board Role

### 3.2.1 Duties and Responsibilities

Subject to any modification, exception or limitation contained in the Act or in the Constitution of the Company, the Board shall have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company and shall assume amongst others the following duties and responsibilities as specified in MCCG 2021:-

- 3.2.1.1 together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior;
- 3.2.1.2 review, consider and decide on management's proposals for the Company, and monitor its implementation by management;
- 3.2.1.3 ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- 3.2.1.4 supervise and assess management performance to determine whether the business is being properly managed;
- 3.2.1.5 ensure that there is a sound framework to manage anti-bribery and corruption risk and for internal controls and risk management, including the Maxis Integrity and Compliance Framework ("MICF");
- 3.2.1.6 understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- 3.2.1.7 set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- 3.2.1.8 ensure that Senior Management has the necessary skills and experience, and there are measures in place

to provide for the orderly succession of Board and Senior Management;

- 3.2.1.9 ensure that the Company has in place procedures to enable effective communication with stakeholders;
- 3.2.1.10 ensure that all its Directors are able to understand financial statements and form a view on the information presented; and
- 3.2.1.11 ensure the integrity of the Company's financial and non-financial reporting. Courts have held that it is the duty of every Director to read the financial statement of the Company and carefully consider whether what they disclose is consistent with the Director's own knowledge of the Company's affairs.

### **3.2.2 Discharge of Directors' duties**

In discharging his/her duties, each Director must:

- (a) at all times exercise reasonable care, skill and diligence in accordance with Section 213 of the Act;
- (b) act for a proper purpose and in good faith in the best interests of the Company;
- (c) apply a business judgment rule pursuant to Section 214 of the Act;
- (d) not improperly use his/her position or misuse information of Maxis; and
- (e) commit the time necessary to discharge effectively his/her role as a Director.

### **3.2.3 Matters Reserved for the Board**

The following matters involving the Group (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee, the Chairman, a Chief Executive Officer ("CEO") or another nominated member of Senior Management:-

- 3.2.3.1 approval of corporate/strategic directions/plans and programmes;
- 3.2.3.2 approval of annual budgets, including major capital commitments and capital expenditure budgets;
- 3.2.3.3 approval of new major ventures;
- 3.2.3.4 approval of material acquisitions and disposals of undertakings and properties or any significant Group expenditure which exceed the authority limits delegated to the CEOs or the chief financial officers or the chief operating officers.

- 3.2.3.5 the Directors have delegated limits of authority to the CEO and management as specified in the Company's Manual of Limits of Authority;
- 3.2.3.6 changes to the management and control structure within the Company and its subsidiaries, including key policies, delegated authority limits;
- 3.2.3.7 appointment of all other Board members, Board Committee members, CEOs and the Company Secretaries;
- 3.2.3.8 any matters in excess of any discretions that it may have delegated from time to time to the CEO and Senior Management, including in relation to credit transactions, market risk limits and expenditures; and
- 3.2.3.9 any matters and/or transactions that fall within the ambit of the Board pursuant to the Act, MMLR, Constitution, Terms of Reference of the respective Board Committees, Group's Manual of Limits of Authority (such as the applicable limits regulating transactions with values in excess of RM60 million) or any other applicable rule.

#### **3.2.4 Chairman and CEO**

The Company aims to ensure a balance of power and authority between the Chairman and the CEO with a clear division of responsibility between the running of the Board and the management of the Company's day to day business respectively. The positions of Chairman (who shall be a non-executive) and CEO shall be separated and clearly defined.

##### **3.2.4.1 Chairman**

The key responsibilities of the Chairman, amongst others, are as follows:-

- providing leadership for the Board so that the Board can perform its responsibilities effectively;
- leading the Board in the adoption and implementation of good corporate governance practices in the company;
- setting the Board agenda and ensuring that Directors receive complete and accurate information in a timely manner;

- leading Board meetings and discussions;
- encouraging active participation and allowing dissenting views to be freely expressed;
- managing the interface between Board and management; and
- ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

#### 3.2.4.2 CEO

The responsibilities of the CEO, amongst others, are as follows:-

- to develop and implement corporate strategies for the Group;
- to supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- to ensure the efficiency and effectiveness of the operations of the Group;
- to assess business opportunities which are of potential benefit to the Group; and
- to bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

#### 3.2.5 Board Committees

To assist the Board in fulfilling its duties and responsibilities, the following Board committees with specific terms of reference shall be established:

(a) **Audit and Risk Committee;**

In addition to the roles and responsibilities to be set out in the Audit and Risk Committee Terms of Reference, the Chairman of the Audit and Risk Committee together with other members of the Audit and Risk Committee should ensure among others that-

- the Audit and Risk Committee is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
- the Audit and Risk Committee appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- Audit and Risk Committee's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditor;

- there is co-ordination between internal and external auditors; and
  - the Audit and Risk Committee oversees issues on Anti- Bribery and Corruption and Anti-Money Laundering and Counter Financing of Terrorism, including the implementation of the MICF.
- (b) Nomination Committee;
- (c) Remuneration Committee;
- (d) Business and Information Technology Transformation Committee;
- (e) Government and Regulatory Affairs Committee; and
- (f) Share Issuance Committee

All of the Committees shall have a majority of their members comprise non-executive Directors. Independent non-executive Directors play a leading role in the Audit and Risk, Remuneration and Nomination Committees. Members of Senior Management and third parties may be co-opted to the Committees as and when required. The NC shall review the composition and requirements of the Committees which composition and membership shall be in compliance with all relevant laws and regulations applicable from time to time. Details of the membership of each Committee appointed by the Board shall be published in the Company's Integrated Annual Report. The terms of reference of the Audit and Risk Committee, Remuneration Committee, Nomination Committee, Business and Information Technology Transformation Committee and Government and Regulatory Affairs Committee and Share Issuance Committee shall be listed at [http:// www.maxis. com.my/ corp](http://www.maxis.com.my/corp) .

The Chairman of the respective Committees shall report to the Board on the outcome of the Committee meetings and the reports issued by the Committees will be tabled to the Board at the Board meeting. The Board may from time to time establish ad hoc committees to undertake specific and ad-hoc tasks and responsibilities as may be required by the Board.

### 3.3 Meeting of the Board and Supply of Information

3.3.1 The Board shall conduct at least four (4) scheduled meetings a year, with additional meetings convened on an ad hoc basis as and when the Board's approval and guidance is required.

3.3.2 Upon consultation with the Chairman and the CEO, due notice shall be given of proposed dates of

meetings during the financial year and standard agenda and matters to be tabled to the Board.

3.3.3 All Board meetings shall be chaired by a Chairman of the Board. The Chairman has the discretion to call for additional meetings at any time. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the meeting. The quorum for each meeting shall be at least two (2) Directors. In the absence of a meeting, issues shall be resolved by way of circular resolutions.

3.3.4 A set of board papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members in advance of each Board meeting or in the case of a decision by way of Directors' circular resolution, accompanying the proposed resolution, to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification, advice and services from the Head of Legal, Head of Internal Assurance and Company Secretary, should such a need arise. Where necessary, the services of other Senior Management or external consultants will be arranged to brief and help the Directors to clear any doubt or concern.

3.3.5 At the meeting, the Board may consider amongst other things:

- annual operating plan;
- report of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval;
- performance reports of the Group, which include information on financial, industry and strategic business issues and updates;
- major operational, financial, technical, legal and regulatory issues;
- technological developments and updates;
- reports on risk management;
- reports on human capital, organisational and talent management;
- board papers on other specific corporate & operational matters for of discussion/approval;
- matters relating to annual general meeting; and
- matters on dealings by Directors/ principal officers.

3.3.6 Additionally, the Board shall be furnished with ad-hoc reports to ensure that it shall, at all times, be apprised of key business, financial, operational, corporate, legal, regulatory and industry matters, as and when the need arises.

### 3.4 Access to Information/Advice

- 3.4.1 The Board shall have unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, management is obliged to supply in a timely manner, all relevant information to enable the Board to discharge its duties effectively.
- 3.4.2 Members of the Board may, subject to the established process, collectively or individually seek external or independent professional advice and/or assistance from relevant experts in furtherance of their duties and at the Group's expense.

## 4. COMPANY SECRETARY

- 4.1 The Board shall appoint a company secretary ("**Company Secretary**"), who plays an important advisory role, and shall ensure that the Company Secretary fulfills the functions for which he/she has been appointed.
- 4.2 The Company Secretary shall be accountable to the Board through the Chairman of the Board and the Committees on all governance matters.
- 4.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 4.4 The Company Secretary must keep abreast of, and inform the Board of, current governance practices.
- 4.5 The Board members shall have unlimited access to the professional advice and services of the Company Secretary.
- 4.6 The removal of the Company Secretary shall be a matter for the consideration of the Board as a whole.
- 4.7 The roles and responsibilities of the Company Secretary include, but are not limited to the following:
- Advisory role to the Board with regards to the MCCG 2021, MMLR, Act, Company's Constitution, Terms of Reference of the Committees, Board Charter and the consequential disclosure and compliance requirements and other applicable related matters

- Management of Board and Committee meetings including the setting of the agendas of the meetings with the Chairman and CEO, disseminating information and papers for the meetings, advising on the procedures for meetings, recording of decisions and action points and preparing of the minutes of the meetings, handling the ensuing communications to members of management and all related matters
- Management of the AGM that includes the preparation of the Annual Report, circulars to shareholders, notice of AGM, working with the share registrars and ensuring that the due processes and proceedings are in place for the effective conduct of the meeting.

The Secretary shall also undertake the statutory duties as prescribed under the Act and the MMLR.

## 5. INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

- 5.1 The Board shall place great importance in promoting effective communication and proactive engagements with the Company's shareholders. The Board shall also ensure high standards of transparency and accountability in its communication with shareholders, as well as with potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and the Group.
- 5.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 5.3 The Board ensures that the Company conducts meetings with financial analysts or other investment professionals from time to time (using teleconferencing where appropriate) to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests, subject always to the relevant laws on the disclosure of material price sensitive information.
- 5.4 The Board views general meetings as an important mechanism in communication with shareholders. The Board shall encourage shareholders participation at general meetings and shall ensure among others that:-
- the Board and/or Senior Management conducts a business presentation with a question and answer



session; and

- reasonable time is provided for a discussion of genuine questions at the meeting.

5.5 An online Investor Relations section and online Press Room, the "Maxis Media Centre", which can be accessed by shareholders and the general public via the Company's website [www.maxis.com.my](http://www.maxis.com.my) shall be established to provide easy access to corporate information pertaining to the Company and its activities which is continuously updated.

## 6. CODE OF BUSINESS PRACTICE, ANTI-BRIBERY & CORRUPTION, WHISTLEBLOWING, CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS POLICY

6.1 The Board shall establish a Group's code of business practice ("**the Code**") and a set of anti-bribery and corruption policies ("**Anti-Bribery and Corruption policies**") which shall apply to all Directors and employees of the Group who shall be required to affirm on a yearly basis their commitment to observe the Code and the Anti-Bribery and Corruption policies. The Board shall endorse a Maxis policy statement on the Anti-Bribery and Corruption policies which shall be listed at <http://www.maxis.com.my/corp>.

6.2 The Code shall serve as documentation of the Directors' and employees' commitment to do business in a manner that is efficient, ethical, effective and fair and is meant as a reference for all Directors and employees at all levels. A separate code applicable to vendors, dealers as well as other third parties that engaged in business dealings with the Group shall be established and listed at <http://www.maxis.com.my/corp>.

6.3 The Board shall also establish a whistleblowing policy and procedures and guidelines relating to conflict of interests and related party transactions which shall be listed at <http://www.maxis.com.my/corp>.

## 7. DEALINGS IN SECURITIES

- 7.1 The Board shall establish a Group policy on dealings in securities which shall apply to all dealings in securities of the Company by Directors and principal officers of the Company (the “**Policy on Dealings in Securities**”).
- 7.2 The Policy on Dealings in Securities is intended to assist Directors and principal officers of the Company to comply with their obligations in respect of insider trading laws in Malaysia and to meet their disclosure obligations under the MMLR, the Act and the Capital Markets and Services Act 2007 arising from their dealings in the securities of the Company.
- 7.3 The Policy on Dealings in Securities shall be listed at <http://www.maxis.com.my/corp>.

## 8. CONFLICTS OF INTEREST

- 8.1 The Board shall establish a Group policy on conflicts of interest applicable to all Directors and principal officers of the Company (“**Policy on Directors’ Conflicts of Interest**”).
- 8.2 The Policy on Directors’ Conflicts of Interest is to ensure that the proper processes and procedures are adhered to and undertaken by the Directors and principal officers in respect of circumstances which could give rise to conflicts of interests including circumstances which, arising from such interests, could entail the entry by the Group into related party transactions (as defined in the MMLR).
- 8.3 The Policy on Directors’ Conflicts of Interest shall be listed at <http://www.maxis.com.my/corp>.

## 9. GROUP GOVERNANCE

- 9.1 In order to ensure that standards of governance are applied throughout the Group and key decisions are made efficiently by the appropriate parties, all subsidiaries and their Directors must comply with the Code and policies established by the Board from time to time and the Group's manual of limits of authority approved by the Board. Directors of subsidiaries shall also be responsible for promoting good corporate governance throughout the Group.
- 9.2 The subsidiaries of the Company must, to the extent permitted, provide the Company with information requested by the Company to enable the Board to oversee the performance (both financial and non-financial) of the subsidiaries.

## 10. APPLICATION

10.1 The principles set out in this Charter shall be:

- (a) reviewed and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities from time to time;
- (b) applied having regard to their spirit intention and purpose rather than a strict adherence to the letter and form of the wordings set out herein; and
- (c) where required, be summarised in the Company's Integrated Annual Report and the Corporate Governance Statement.

10.2 The Board shall endeavour to comply at all times with the principles and practices set out in this Charter.

## 11. REVIEW OF THE BOARD CHARTER

11.1 Any subsequent amendment to the Charter must be approved by the Board.

11.2 The Board Charter will be periodically reviewed by the Board and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

11.3 The Board Charter shall be made available for reference in the Company's website at <http://www.maxis.com.my/corp>.