

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6012
COMPANY NAME : MAXIS BERHAD
FINANCIAL YEAR : DECEMBER 31, 2020

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosure on this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosure in the section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in the section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	Applied
Explanation on application of the practice	The Board of Directors of Maxis ("the Board") has an overall responsibility to manage the business and affairs of Maxis Berhad ("the Company") whilst delivering sustainable value to its stakeholders. The Maxis Board's Leadership and Governance Structure drives the effective discharge of the Board's functions and responsibilities in Maxis. The Leadership and Governance Structure is supported by the Board Charter which outlines reserved matters for the Board and, delegates and entrusts certain powers to the six established Board Committees viz the Audit and Risk, Remuneration ("ARC"), Nomination, Business & IT Transformation, Government and Regulatory Affairs ("GRAC") and Share Issuance Committees. Each of the Committees have clear Terms of References, and scope of authorities including items reserved for review, guidance and prior review before recommendations to the Board. In addition, as and when the need arises, the Board establishes ad hoc operational and governance Committees with clear scope and responsibilities. The Board's governance process is supported by detailed Policies and Procedures, and with the overarching compliance and adherence to the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), Companies Act 2016, the Constitution of the Company, commitment to the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") and all applicable laws and regulations.

The year 2020 was undoubtedly a challenging year with COVID-19 Pandemic, which triggered a health crisis and consequently impacted the macro economic situation in Malaysia and throughout the world. The organization took steps to review and implement new ways of working that adapted to the new normal. The Board, and each of the Directors adapted by transforming a number of the Meetings into fully digital and/or hybrid mode, providing agility for guidance and the Board and each Board Committee's decision-making process. The Board were presented with the regular reports from the CEO on the progress of the business and operations that included key highlights and updates throughout the year.

As a provider of critical telecommunications and technology solutions, the emphasis of keeping consumers and enterprises connected has taken on new importance in a time of social distancing. The Maxis Group moved swiftly to protect the health of our employees and customers, while activating our business contingency plan to avoid disruption to our services. The detailed strategy and response plan to COVID-19 was put in place (detailed on Page 28 to 29 of the Integrated Annual Report) with focus on managing the crisis and recovery of the business. The Maxis Group enhanced the Health and Safety efforts with putting in place Maxis' way of work from home, Standard Operating Procedure ("SOP")s, strict control measures and necessary precautions to ensure that Maxis employees and customers are safe whilst maintaining Maxis business operations and service levels as an essential service.

This Practice 1.1 is explained in the following areas:-

- i. Corporate Governance
- ii. Review of Management's proposals for the Maxis Group's operations, value creation and assessment of Management's performance if business is properly managed
- iii. Framework to manage anti-bribery and corruption risk and for Internal Controls and Risk Management
- iv. Human Capital Management
- v. Investor Relations
- vi. Reporting of financial and non-financial reporting
- vii. Directors' Training and development

As also specified in the Board Charter (please refer to Practice 2.1), these responsibilities are tracked as part of the annual board effectiveness assessment to ensure the proper discharge of the Board, Committees and each Director's responsibilities during the year under review, and that the

Board's obligations to its shareholders and other stakeholders are understood and met:-

Corporate Governance. The Board is the focal point of the Company's Corporate Governance system and sets the tone from the top. The Board as a whole, led by the Chairman works together with Maxis Management Team (key senior management under Para 4A, Appendix 9C MMLR, that is persons who are primarily responsible for the business operations of the Maxis Group's core business and principal subsidiaries) to promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour with the highest standard of integrity. This is demonstrated by the Board and Committees' Structure, Board Charter, Terms of References of the Committee, matters considered by the Committees are reported to the Board for consideration and decision, and the accessibility of detailed Board Papers including Minutes of each Board and Committee to the Directors. The Directors have detailed processes, procedures and policies in place that include Code of Business Practice ("CoBP"), CoBP for 3rd Party ("Code"), No Gift Policy, Anti-Bribery and Corruption Policy Statement, Whistle Blowing Policy, Employee Conflicts of Interest Declaration, Related Party Transactions, Managing Material Sustainability Risk, Board Diversity, Policy on Dealings in Securities by Directors and Principal Officers, Policy on Directors' Conflicts of Interest, and Non-Executive Directors' Fees, Expenses and Reimbursement Policy. The Code and the CoBP also includes appropriate communication and feedback channels for whistleblowing. The Limits of Authority ("LOA") for Management and established processes are regularly reviewed by the ARC and reported to the Board. The LOA sets out items reserved for Management's approval, and items that must be referred to the Board, and serves as an effective communications tool to employees on the governance process for the operations. Page 101 to 110 of the Annual Report explains in detail the Statement on Risk Management and Internal Control ("SORMIC"). The Board's and each Committee's decision making is collectively made in accordance with the provisions of the Company's Constitution, Board Charter, Terms of References of each Committee, policies and procedures, and applicable laws. No single person can influence Maxis' decision making and policies, as there are processes, approval matrices, compliance and governance requirements to adhere to. Specifically, each of the ARC, Remuneration Committee ("RC") and Nomination Committee ("NC") have majority independent directors. As specified under Rule 150 of the Company's Constitution, decisions or resolution of the Board shall be passed, if approved, by a majority of votes.

As specified under Rule 153 of the Company's Constitution, all Directors must assent to Circular Resolutions unless he or she has abstained from voting.

During the financial year, the Board expanded the terms of reference of ARC to review the sufficiency, adequacy and comprehensiveness of the Maxis Anti-Bribery and Corruption ("MABC") system in line with the need to mitigate bribery and corruption risks and advise the Board on issues of compliance with applicable laws, regulations, rules, directives and guidelines. The ARC also reviews the independence and determines the authority and area of responsibility of the Integrity and Compliance function which is further described in the following section on Integrity and Compliance, Anti-Bribery and Corruption. A number of significant activities were undertaken to enhance Maxis' corporate governance framework in relation to the new Section 17A of the MACC Act 2009 ("S17A").

The Maxis Group has a zero-tolerance policy against bribery and corruption. On 1 June 2020, the new provision on corporate liability for corruption offences under the Malaysian Anti-Corruption Commission (MACC) Act 2009 came into effect. In line with this, Maxis further strengthened its existing policies and procedures on anti-bribery and corruption by implementing the MABC system based on the Guidelines of Adequate Procedures published by the Prime Minister's Department. The Integrity Governance Unit (IGU) was established as part of the implementation of the MABC system. The IGU is headed by an independent Compliance Officer who oversees the implementation of the MABC system.

The Compliance Officer is tasked to oversee the acculturation, institutionalization and implementation of integrity within the Maxis Group and to ensure that continuous training, education and awareness programs are in place. The IGU strengthens and is responsible for the implementation, monitoring and evaluation of the governance, and anti-corruption controls of the MABC system. The governance structure of the IGU was set up along with key policies revisions and enhancement, as further detailed in the SORMIC in the Integrated Annual Report. Maxis undertakes periodic reviews and assessments of bribery and corruption risks and ensures that the MABC system remains efficient and effective. The Enterprise Risk Management team collaborates with the Compliance Officer on the implementation of the MABC system for corruption risk assessment. Maxis is committed to comply with Para 15.29 of the MMLR and to ensure that the policies and procedures on anti-corruption are appropriately communicated to all stakeholders. Maxis Anti-Bribery and Corruption

Policy Statement, the CoBP, the Code, Third Party Integrity Pledge, Whistle Blowing Policy and No Gift Policy are published in the corporate website https://maxis.listedcompany.com/corporate_governance.html.

The Board has approved the MABC system and endorsed the Maxis Anti-Bribery and Corruption Policy Statement which sets out Maxis stance against bribery and corruption, and each of the Maxis Directors have undertaken an Integrity Pledge. In supporting the general policy statements in the MABC system, Maxis has developed the Maxis Integrity Compliance Framework (MICF) to instill and ensure compliance to all elements related to the propagation of integrity and business ethics within the business activities of Maxis. In this regard, Maxis Integrity & Compliance Awareness Committee (MIAC) was established to coordinate, monitor and ensure programmes planned under MICF are implemented in an effective, integrated and structured manner. MIAC comprises of members from Compliance Officer (Head of Integrity and Governance Unit), Head of Legal and Chief Human Resource Officer. Both MICF and MIAC have been endorsed by the ARC and Board during the year 2020. The MABC system is subject to regular reviews. The Board has also delegated the responsibility over the MABC system to the ARC and changes were made to the ARC's Terms of Reference to reflect the delegation. The Compliance Officer reports to the ARC, and also provides reports to the Board as part of the overall compliance reporting to the Board.

The MABC system was communicated to the Directors at a training and awareness session in 2020 with a follow up session after the implementation in the same year. During the year 2020, MABC system mandatory online training was conducted with 100% participations and completeness. On an on-going basis, the MABC system was communicated to all Maxis employees via Yammer (an internal communication platform), integrity video, regular refreshers, integrity campaigns and webinars.

All third parties are made aware of the MABC system and our expectations of them. Vendors Integrity Program (VIP) was conducted to ensure that third parties understand Maxis' expectations, and to guarantee their compliance with the MABC system. A total of 4 VIP sessions were conducted in 2020.

All of Maxis' contracts now contain a provision for all third parties to comply with the MABC system. All third parties are required to submit Due-Diligence Questionnaires and sign Third Party Integrity Pledge as part of the onboarding process as registered vendors of Maxis.

- **Review of Management's proposals for the Maxis Group's operations, value creation and assessment of Management's performance if business is properly managed**

Oversight over Strategic Matters for meeting the objectives and goals of the Maxis Group

The Board reviews and considers the Maxis Group's strategic plan at the Strategy Session and proposals for the Company, and monitors its implementation by Management at every meeting. Subsequently, the Management team updates the Board every quarter on Maxis Group strategic plan that includes macro trends, industry development and regulatory updates that could potentially change Maxis' strategic direction. For the year 2020, the Board met 5 times and specifically, during the year, the Board met to review:

- The COVID-19 Response plans and strategy which includes macro-economic situation, COVID-19 recovery roadmap and latest market development
- The Company's strategic aims in the scheduled Annual Operating Plan 2021 (AOP) and reviewed the Long-Range Plan 2025,
- Tabled discussions for the Company and Group's strategy, budget and plans for 2021, structural and operational initiatives including the detailed risk assessment.

The Board's deliberations focused on the support to Management in navigation through the pandemic and a post pandemic future. The financials for each quarter and year end were also reviewed and considered by the Board.

The AOP includes all aspects of the operations, each divisional business review including competitive landscape, finance and people (resources), with a review of the Future Outlook on COVID-19 and the Malaysian Telco Landscape. The Board also reviewed the tracking of the AOP and Business Performance every quarter at the Board meetings to determine whether the Management is on track to achieve the Group's targets, and reviewing the strategies with the COVID-19 pandemic situation, and the overall competitive landscape that includes the short term, medium term and long term Key Performance Indicators. The Board among others, considered challenges encountered by Management with the uncertainty, and assessed the availability of resources in meeting their targets based on current market landscape, as well as to provide further guidance and support to the Management as necessary. Maxis' strategic directions were communicated

to employees via various engagements, ensuring that everyone understands his or her role in the achievement of the targets, and their role in contributing to the Company.

In addition, the Board ensures that the strategic plan of the Company supports long-term value creation, for Maxis as well as its stakeholders and includes strategies on economic, environmental and social considerations underpinning sustainability. In FY2020, this was done through a review of Maxis' material matters with key business representatives taking into consideration the impact of these matters to Maxis and their importance to stakeholders, as gathered through various external, internal stakeholder engagement platforms and through a review of the operating environment in 2020. Further details on Maxis' Top Material Matters and Value Creation Model are detailed on pages 30 and 38 respectively of the Maxis Integrated Annual Report. The material matters were deliberated and validated by our Management Team and our Board of Directors is cognisant of our material matters.

The Board also supervises and assesses the CEO and Management's performance to determine whether the business is being properly managed. The profiles and responsibilities of the Maxis Management Team can be found at pages 10-12 of the Maxis' Integrated Annual Report 2020.

Further Details on the Board's Oversight in Maxis' COVID-19 response Plan

The Board acknowledged that the year 2020 was a challenging and unprecedented year. The Board and Management immediately put in a place a "Managing the Crisis and Recovery & Business Reconfiguration" with the focus to maintain business operations with minimal disruptions (detailed on pages 28-29 of the Annual Report). The Management team with the Board's oversight undertook a detailed assessment of the business, and consulted with economists, experts and peers across the industry and around the world. The agreed action was to align the key objectives of protecting our employees, ensuring our customers are happy and safeguarding shareholder value. numerous initiatives to protect the:

- a. Health of our Employees, customers and public
- b. Health of our Networks
- c. Health of our Customer Services
- d. Health of our Brand
- e. Health of our Financials

These set of actions were reviewed by the Board throughout the year via meetings and updates from the CEO focusing on the following matters:

- Putting people safety first
- Stabilize our operations
- Protect and secure the core business
- Manage liquidity
- Plan for risk and opportunities, including adjusting the risk response plan
- Clear engagement with stakeholders
- Rigorous review of all aspects of business, that included re-prioritisation of strategic opportunities

Strategy Planning for AOP 21

At the Strategy Planning for the AOP 21 Meetings held in October 2020, each member of the Maxis Management Team presented their detailed plans, for the Board's deliberation and guidance. Members of the Board actively participated in the discussions and constructively challenged and posed questions/ clarifications to Management that were all responded to.

The Strategy Planning Session Meeting held over 2 days spanned over 10 hours allowing proper time to consider each of the business operations, strategic highlights, and risk assessment. All of the Directors took the opportunity to ask questions/clarifications, have robust discussions and the opportunity undertake proper deliberation and considerations. At the end of the Strategy session, the Chairman summarised the key issues and action points for Management, and the Board collectively considered the Strategy. The AOP and Strategy are regularly updated, tracked and reported at every Board meeting, together with updates on the present macro-economic situation and risk landscape for the Directors' background and information. The CEO provides a report on significant developments in between meetings.

Risk Management and Internal Control. The Board via the ARC ensures there is a sound framework for internal controls and enterprise risk management ("ERM"). Risk is embedded in every part of the business and strategy of Maxis. The ERM function acts as a business partner to the Strategy Team in the review and assessment of the risks and opportunities in the COVID-19 response plan, AOP and general strategy plan including adjusting the risk management framework.

The ARC, as part of the key role of the “Risk” function as specified its TORs, reviews the principal risks of the Company's business and recognises that business decisions involve the taking of appropriate risks, sets the risk appetite within which the Board expects Management to operate and ensures that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and nonfinancial risks, including key risk indicators. The ARC reviews all internal control matters and reports its proceedings and deliberations to the Board after each meeting. In addition, the Board receives annual updates on ERM and Internal Control

Human Capital Management. The Board via the RC reviews the overall People and Organisation (“P and O”) Structure, that includes monitoring of the necessary skills and experience, talent management, remuneration structure and succession planning of key roles and Maxis Management Team (“MMT”) of the Company. The RC also oversees the remuneration structure of the Board from an overall policy perspective and Management’s remuneration policy and framework to attract and retain Management of the calibre needed to run the Group successfully and create value for shareholders and various stakeholders. Leadership and competency of the MMT and senior leadership team, remuneration policy and frameworks, diversity and inclusion, learning and development and the scholarship program were some of the key matters discussed by the RC in 2020.

In discharging its responsibility on succession planning, the RC receives succession management updates on key talents from P and O team on a regular basis as part of the RC Meeting Agenda.

Morten Bangsgaard was the Chief Technology and Information Officer (CTIO) from 1 Jan to 30 Nov 2020. As of 1 December 2020, the CTIO’s portfolio was split between Rob Sewell (existing MMT Member), Abdul Karim Fakir bin Ali (as Chief Network Officer) and Ng May Ching (Chief Information Officer). Abdul Karim Fakir bin Ali and Ng May Ching were appointed as members of the MMT on 1 December 2020.

Investors Relations. The Investor relations function reporting to the Chief Financial and Chief Strategy Officer is headed by a dedicated experienced team providing direct access for our shareholders and stakeholders. The Company has procedures and a detailed Corporate Disclosure Policy in place that guides the internal Maxis stakeholders to enable effective communication with its shareholders and other stakeholders. This includes

quarterly briefings with analysts, annual general meetings, investors conferences and roadshows, in addition to regular dialogues with investors. The Investors Relations 12 months rolling engagement plan and a report on activities of Investor Relations is presented to the Board at every meeting providing the Board with an opportunity to give further guidance and to oversee the policy and function of an effective investor relations plan for the Maxis Group. During the year 2020, all of the engagements were conducted virtually, that provided effective opportunities for continued engagements between the investor relations function and its stakeholders. A dedicated email ir@maxis.com.my is managed by the Investors Relations team that allows stakeholders to contact the company at any time without a formal engagement. The Investor Relations Communication Policy Further details on how we engage with our key stakeholder groups can be found at page 74 of the Integrated Annual Report.

Reporting. There are established procedures ensure the robustness of the process for the Company's financial and non-financial reporting. The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of Maxis Berhad Group's and the Company's state of affairs, results and cashflows. The ARC reviews the Maxis Berhad Group's audited financial statements in detail, together with the external auditors PricewaterhouseCoopers PLT. The Board also acknowledges its responsibility in the preparation of Maxis' Integrated Annual Report 2020 which brings together financial and non-financial information, taking into consideration the social and environmental context within Maxis' operation. The Board has approved Maxis' Integrated Annual Report 2020 on 9 March 2021.

Directors' Training and Development Throughout the year under review, regular briefings/updates (including by external advisors) were utilized and communicated to the Board on various areas such as IT Transformation, technology, competitors' trends, cyber security, industry developments, digital and economic trends, operations, legal and regulatory matters, governance updates. In addition, all of Maxis' Directors regularly attended talks, and utilized reading materials and online learning tools on operational, legal, regulatory and industry matters to keep themselves appraised and to assist in the discharge of their functions. In line with Paragraph 15.08 of the MMLR, the Directors recognize the requirements to keep themselves updated in order to remain effective in their discharge of duties and functions as a Director of the Company. Amongst others, the Directors of the Company, attended various training programmes:-

	<ul style="list-style-type: none"> i) Cyber Security Data Privacy & Protection and Cyber Security Assessment ii) Enterprise Risk Management and EY Resilient Enterprise COVID-19 Presentation iii) MACC: Section 17A MACC Act as 2 separate sessions as conducted by external counsels and independent consultants iv) Telco 2025: How Telco can regain Relevance and Growth by Bain & Co. <p>Note: The Board Charter and Terms of References of each of the ARC, Remuneration, Nomination, Business & IT Transformation and GRAC are published on the Maxis website https://maxis.listedcompany.com/corporate_governance.html</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	Applied
Explanation on application of the practice	<p>The role of the Chairman is specified in the Board Charter. The Chairman's role is benchmarked against comparable public listed companies and tracked by the NC to ensure effective discharge of the Chairman's functions.</p> <p>The Chairman, Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda has a strong background, and vast experience on governance and internal control matters. He was a former Executive Chairman and Senior Partner of PricewaterhouseCoopers ("PwC") Malaysia, Chairman of the Leadership Team of PwC Asia 7, and Chairman of the Malaysian Accounting Standards Board (Chairman's detailed experience and background can be found on page 7 of the Integrated Annual Report 2020). The Chairman engages with Board members, CEO, Management and the Company Secretary to ensure that the Board can perform its responsibilities effectively. The Chairman is closely involved in the setting of the Board Meeting Agendas together with the Chief Executive Officer, and Secretary, and ensures that sufficient time is set aside for deliberations at meetings, that the Directors receive complete and accurate information in a timely manner, and that the Directors questions and clarifications are attended to on a timely basis. In addition, before each Board Meeting, the Chairman sets aside time with the Directors, the Chief Executive Officer and Chief Financial Officer to allow questions, clarifications and requests for further information prior to the Meetings. During the year 2020, the Chairman led discussions with Members of the Board to consider "What can the Board do to assist Management during the COVID-19 pandemic crisis - Board's agility to provide guidance to Chief Executive Officer (CEO) and matters for approval" The Board recognised that at the start of the Movement Control Order (MCO) when first imposed in March 2020 that the CEO and</p>

Management would need swifter guidance or support from the Committees. and/or urgent approvals from the Board. Members of the Board were also agile to move to digital platforms and the use of technology to facilitate the Board's processes. The Chairman led the Board's review of its processes and provided their full support and commitment with regards to matters put forward for review, guidance and approvals. The Board and its Committees regularly met on virtual platforms to ensure regular engagement between the Board members, between the Board and its Committees and Management, that provided agility and effective guidance and decision-making processes. All records and matters discussed and approved by the Board were duly recorded and minuted accordingly.

In addition, the Chairman leads the:-

1. NC and Board in the monitoring of corporate governance practices, including the systems and procedures, and regular updates and tracking of corporate governance compliances with MCCG 2017 and applicable regulations as a regular agenda at the NC and Board Meetings. The Chairman ensures that the performance of the Board is evaluated regularly, and guides the development needs of the Board.
2. Evaluation of the CEO's performance and oversees the conduct and performance of the CEO.
3. Open communication of all Board members and Secretary. Members of the Board and the Secretary have unfettered access to the Chairman.
4. Conduct of Board Meetings. In addition, the Chairman leads Board meetings and discussions by encouraging active participation by all Directors and allowing dissenting views to be freely expressed during Board deliberations. The Chairman promotes a boardroom environment that allows constructive challenge to status quo, effective communication and contributions from Directors to facilitate informed decision making at the Board, and also fostering robust interactions of Board members whilst sharing his insights. At the end of each Agenda item at Board Meetings, the Chairman summarises the views, consensus, position, and decisions taken by the Board. There are regular informal engagements with Board members and Management outside the Boardroom that promote a

healthy camaraderie and avenues to raise clarifications and promote understanding of the business and operations.

In addition, the Chairman ensures that:

- All Board members upon taking office are fully briefed on the terms of their appointment, time commitment, duties and responsibilities and the business of the company, including reviewing any specific requests for training. As part of the Board policies, Directors taking up new appointments on any other Boards will also inform Chairman about their time commitment, and provide assurance about their time commitment to Maxis
- The Board maintains effective communication with the CEO and Management, and supports the CEO in engaging with other range of stakeholders such as partners, government and regulators that are applicable to the Maxis operations.
- The Board members, in line with the provisions of the MMLR and the MCCG 2017 that every director has the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the listed issuer and in accordance with a procedure to be determined by the board of directors, including but not limited to obtaining full and unrestricted access to any information pertaining to the listed issuer.
- In relation to meetings, the Chairman, CEO and Secretary review the preparation of detailed Agendas, and tracking of the previous action points, including feedback from directors, to ensure that directors should receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting, that is usually 7 days before the meetings. The Chairman together with the CEO and the Secretary ensure that directors are provided with the Agendas at least 14 days before the meetings, and sufficient information and time to prepare for board meetings.

The Chairman and the Senior Independent Director, Tan Sri Mokhzani bin Mahathir are the contact persons for reporting any complaints or improper conduct by the Directors. The Senior Independent Director in line with the MCCG 2017 provides a check and balance on corporate governance matters with the following roles as follows:-

	<ul style="list-style-type: none"> i. a sounding board for the Chairman; ii. an intermediary for other Directors when necessary; and iii. the point of contact for shareholders and other stakeholders on any queries and concerns regarding the Maxis Group, including any reporting on any whistleblowing. 	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	Applied
Explanation on application of the practice	<p>The Chairman, Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda and the CEO, Gokhan Ogut' s positions are held by separate individuals. The CEO is not a member of the Board. Their roles and responsibilities are distinct and separate as stated in the Board Charter Sections 3.2.4.1 and 3.2.4.2.</p> <p>There are clear division of responsibilities that ensures a balance of power and authority, between leading the functioning of the Board and running the management of day-to-day business operations respectively, for proper, effective and unfettered decision making. The Chairman and CEO have regular conversations and the division of responsibilities would ensure sufficient time commitment of the Chairman and CEO to allow effective discharge of their respective duties. The Chairman provides constructive counsel and insights to the CEO that promotes regular sharing of significant information and updates to the Board throughout the year and not only at Board meetings.</p> <p>The division of responsibilities is regularly reviewed taking into consideration the operational, business and governance requirements of the Company so as to ensure that they Company's strategic aims are consistently met.</p> <p>Note : The Board Charter is published on the Maxis website https://maxis.listedcompany.com/corporate_governance.html</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	Applied
Explanation on application of the practice	<p>The present Company Secretary, Ms Dipa Kaur, whose profile can be found within page 13 of Maxis' Integrated Annual Report 2020 has over 27 years of experience in corporate secretarial and governance matters. The Company Secretary is qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016. She is a Fellow and Chartered Governance Professional of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), holds a license by the Registrar of Companies, is a qualified lawyer, with postgraduate Qualifications, and a Graduate of the Australian Institute of Corporate Directors.</p> <p>The Board is responsible for the appointment or removal of the Company Secretary. The Secretary provides active support to the Chairman, Directors, the Board and Committees and Management that includes (but not limited to) the following areas:-</p> <ul style="list-style-type: none">i. Advisory role to the Board with regards to the MCCG 2017, MMLR, Companies Act 2016, Company's Constitution, Terms of Reference of the Committees, Board Charter and the consequential applications, disclosures and compliance requirements and other applicable related matters;ii. Management and Minutes of Board and Committee Meetings that include the setting of the Agendas with the Chairman, Chief Executive Officer and Chief Operating Officer, dissemination of information and papers for the meetings, procedures for meetings, recording of decisions and action points, the ensuing communications to members of Management and all related matters, including follow up on the matters until closure;iii. Management of the Annual General Meeting ("AGM") that includes the preparation of the Integrated Annual Report, Circulars to Shareholders, Notice of AGM. working with the Share Registrars and ensuring that the due processes and proceedings are in place

	<p>for the effective conduct of the AGM. The recording of the Minutes of the AGM is prepared by the Secretary, and Maxis posted the summary of the AGM and the Questions and Answers (Key Matters Discussed) including the responses to Minority Shareholder Watchdog Group (“MSWG”) at the Maxis website in accordance with Paragraph 9.21(2)(b) of MMLR. The Company Secretary plays a key role in advising the Board on application of the best practices, developments and principles for corporate governance that meets the Board’s needs and stakeholder expectations;</p> <ul style="list-style-type: none"> iv. Facilitating the induction of new Directors and addresses the continuous training needs of Directors identified pursuant to the Board Effectiveness Evaluation (to be read in tandem with Practice 5.1 of this report); and v. Serves as a focal point for stakeholder engagement together with the Investor Relations function and communication on corporate governance issues <p>All members of the Board have access to the Secretary. The Secretary also undertakes the statutory duties as prescribed under the Companies Act 2016 and the MMLR, and any other duties as delegated by the Board from time to time. The Company Secretary has attended continuous professional development programmes as required by the Companies Commission of Malaysia and MAICSA, and constantly keeps abreast of regulatory changes and developments in corporate governance. The Secretary is a member of both the Technical Compliance and Governance and Thought Leadership Committees, and a member of the Corporate Governance Task Force of MAICSA.</p> <p>The 2020 Board Effectiveness Evaluation findings indicate that the level of support given by the Secretary to the Board has been satisfactory in terms of effectiveness, adequacy and timely execution of actions.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in the timely manner.

Application	Applied
Explanation on application of the practice	<p>The Board and Committees are committed to discharging their duties by attending Meetings, and responding to requests for guidance and/or approval from Management on matters reserved for the Board and Committees. During the year 2020, and with the restrictions of travel and SOPs, all of the Board Meetings were held either fully digital utilizing technology platforms via Microsoft Teams, conference call or hybrid depending on the SOPs at the particular time. The Board ensured that the processes were agile, robust with proper records in place. The Directors are given due advance notice of the schedule of Board and Committee Meetings ("Meetings"), including the AGM for the year, in advance of the new year, together with the dates for the release of the quarterly financials, submission of the Agenda and materials for the Meetings ("Papers").</p> <p>The Planning of the Meetings with communication to all Directors, and members of Management are pivotal to ensure the proper discussion of Agenda items, review of the materials, and focus on the Board's guidance and decision making on items presented at the Meetings. The following key steps were followed to ensure effective and efficient conduct of Meetings:</p> <ul style="list-style-type: none">-i. Schedule and Dates For the Meetings in 2020, the schedule of Meetings were shared in November 2019. This allowed the Directors to lock in their timings, and for advance planning of both the Directors and Management. Confirmations were the sent to members of the Board and Management prior to each scheduled Meeting, with the dates, times and schedules for each Committee and Board Meetingsii. Conduct of Meetings during MCO, CMCO and RMCO During the year with the shift to virtual meeting and a period when a few overseas based directors could not travel during travel restrictions, the meetings were rescheduled with adequate notice,

and with the consent of all Directors. This was to ensure that the time for meetings was optimal for all directors based on their respective location's time differences with Malaysia. All of the Directors and Committee Members registered full attendance for all of the Meetings.

iii. Circulation of Agenda and materials (pre-reads)

The usual process that was adhered to was that the final Agenda is circulated 14 days before the Meetings and the Papers are circulated 7 days in advance. Papers that comprise papers and/or presentation slides and background pre-reads are uploaded electronically on the Directors' iPads using the BoardPac solutions (which is a solution that stores meeting documents digitally in a secured manner). Print outs are made available on request.

iv. Pre-meeting planning

In addition, before each Board Meeting, the Chairman sets aside time with the Directors, the Chief Executive Officer, and Chief Financial Officer to allow questions, clarifications and request for further information prior to the Meetings. The Chairman of the Board and each Committee also sets aside time with the Secretary to review the detailed planning for the Meeting. In relation to meetings, the Chairman, CEO and Secretary review the detailed Agendas, and tracking of the previous action points, including feedback from directors that relate to the business, the papers or the Agendas, to ensure that directors should receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. The Chairman together with the CEO and company secretary ensure that directors are provided with sufficient information and time to prepare for board meetings. Management responsible for the pre-read materials were also sent reminders and the submission dates in order to ensure efficient dissemination of materials

v. In Between Meetings

The Board also receives regular reports from the CEO pertaining to the operational, financial performance of the Maxis group as well as regular updates which include information on the Group's competitors, and industry and technological developments.

vi. Questions, Clarification or Request for more information

Questions or clarifications raised by the Board members are dealt with either before or during the meetings, and shared with the rest of the Board members. Each of the items presented to the Board during the year, for the Board's review, consideration and/or approval were deliberated upon and discussed extensively and where required, deliberation of specific Committee's recommendations prior to the Board's decision. Committee Meetings are scheduled before the Board Meetings. Each of the Committee Chairpersons provide their reports of the respective Committees to the Board at the Meetings. This report includes a summary of decisions, recommendations and updates. The Minutes of the Committee Meetings are accessible to all Directors. Management were invited to attend and present at the Meetings to provide explanations or to engage in discussions with the Board in the spirit of transparent and open communication.

The Chairman in line with the Maxis culture encourages open discussions and constructive challenges. The Secretary together with the Chairman and Chief Executive Officer schedule the Agenda and planning of Meetings to allow sufficient time for each item, and to allow questions, clarifications and discussions. At the end of the Meetings, the Chairman summarises the discussions, approvals and action points for the Directors' benefit. The Secretary issues a summary of the action points and outcome of the Meetings for the Management's immediate action. The Secretary thereafter follows up on the progress and updates the Board until closure of the matter. Action items would remain as matters arising in the minutes of meetings, and tracked until they are resolved.

Key decisions are made in Board meetings with Circular Resolutions limited to urgent matters that arise for decisions after the Meetings or to formalise matters which have already been discussed during Board meetings, or where material updates have arisen requiring the Board's review and approval. All Circular Resolutions are tabled at the following Board meeting. Where the Board requires independent professional advice to be sought on any matter, they are able to do so in consultation with the Chairman. The detailed Minutes including matters where Directors declared their conflict of interests, abstained from voting or deliberation, contain all deliberations, discussions and decisions, are prepared in a timely manner and shared soonest practicable.

Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website.

The board charter clearly identifies-

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved of the board.

Application	Applied
Explanation on application of the practice	<p>The Board Charter as published on Maxis' website http://maxis.listedcompany.com/corporate_governance.html functions as the primary reference to aid the Board in upholding the highest standards of corporate governance throughout Maxis and specifies the respective roles and responsibilities of the Board and Board Committees. The Board Charter also sets out the key values and principles of the Board and it is acknowledged that the duties and scope of Directors should remain unfettered. Each of the Committees have detailed Terms of References that sets out their scope and authority. The LOA Manual specifies the authorities of the Management and levels of accountability.</p> <p>Items specifically reserved for the Board are identified in both the Board Charter Section 3.2.3 and the LOA Manual. Matters reserved for the Board as entrenched in the Board Charter include amongst others, approval of strategy, plans, budgets, new major ventures, acquisitions and disposals; changes to management and control structure and appointment of Board members, Committee members, CEO and Secretary. Additionally, please refer to Practice 1.1 above on the overall items reserved for the Board as part of the Board's responsibilities. The role of the Senior Independent Director ("SID") is to be read in tandem with Practice 1.2 within this report.</p> <p>The Board Charter is periodically reviewed and was last updated in 2021.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behavior and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	Applied
Explanation on application of the practice	<p>Maxis has in place a CoBP that covers the areas on non-discriminatory and safe work environment, ethics hotline (whistleblowing mechanism), the company's assets and properties, confidential information, Personal Data Protection Act 2010, insider trading, punctuality and attendance, declarations of other business interest/employment, fraud and anti-corruption, social media and media protocols, conduct with internal and external parties, giving and receiving business courtesies, purchasing and sourcing, competitors, health, safety and environment management, and security responsibility. Maxis also has in place a CoBP for 3rd Party ("Code") that covers the areas on ethics hotline (whistleblowing mechanism), safe work environment, health, safety and environment, assets and properties, confidential information, relationship with customers, bribery and corruption, conflict of interest, purchasing and procurement process, giving and receiving gifts, hospitality and entertainment, dealing with public officials, facilitation payment and/or extortion payment, corporate social responsibility ("CSR") and non-CSR donations and contributions, fraud, safeguarding Maxis' reputation, competitors' proprietary and trade secret information, and social media or other parties protocol.</p> <p>The reporting of unlawful or unethical practices is encouraged through the Whistle Blowing Policy and procedures via the Ethics Hotline. The CoBP applies to all Directors and employees of the Maxis Group and the Code applies to all contractors, consultants, personnel including their employees or agents (whether they are hired by Maxis or seconded by third party suppliers, vendors and/or service providers) and all third parties who are engaging in business dealings with Maxis,</p>

all who are required to affirm their commitment to observing its prescriptions and compliance to the relevant laws and regulations that govern the matters covered by the CoBP and the Code. The CoBP and the Code serve as a guide for Directors, employees' and third parties in their commitment to do business in a manner that is efficient, ethical and fair, and is meant to be a reference point for all Directors and all levels of employees as well as third parties that engage with business dealings with the Group. In addition, Maxis has in place a No Gift Policy that is published on the Maxis corporate website.

The Maxis Group has a zero-tolerance policy against bribery and corruption. On 1 June 2020, the new provision on corporate liability for corruption offences under the Malaysian Anti-Corruption Commission (MACC) Act 2009 came into effect. In line with this, Maxis further strengthened its existing policies and procedures on anti-bribery and corruption by implementing the MABC system based on the Guidelines of Adequate Procedures published by the Prime Minister's Department. The IGU was established as part of the implementation of the MABC system. The IGU is headed by an independent Compliance Officer who oversees the implementation of the MABC system. The MABC system is accompanied by the Code and the CoBP that set out the guidelines and related policies. The Code and the CoBP govern the daily conduct of the employees and third parties on matters relating to conflict of interest, anti-bribery and corruption, fraud, whistle blowing mechanism, Personal Data Protection Act 2010, and confidential information amongst others. The Code and CoBP also emphasize and advance the principles of discipline, good conduct, professionalism, loyalty, integrity, and cohesiveness that are critical to the success and well-being of the company.

The Board has approved the MABC system and endorsed the Maxis Anti-Bribery and Corruption Policy Statement which sets out Maxis stance against bribery and corruption, and each of the Maxis Directors have undertaken an Integrity Pledge. In supporting the general policy statements in the MABC system, Maxis has developed the MICF to instill and ensure compliance to all elements related to the propagation of integrity and business ethics within the business activities of Maxis. In this regard, MIAC was established to coordinate, monitor and ensure programmes planned under MICF are implemented in an effective, integrated and structured manner. MIAC comprises of members from Compliance Officer (Head of Integrity and Governance Unit), Head of Legal and Chief Human Resource Officer. Both MICF and MIAC have

	<p>been endorsed by the ARC and Board during the year 2020. The MABC system is subject to regular reviews. The Board has also delegated the responsibility over the MABC system to the ARC and changes were made to the ARC's Terms of Reference to reflect the delegation. The Compliance Officer reports to the ARC, and also provides reports to the Board as part of the overall compliance reporting to the Board.</p> <p>The ERM team collaborates with the Compliance Officer on the implementation of the MABC system for corruption risk assessment. Maxis is committed to comply with Para 15.29 of the MMLR and to ensure that the policies and procedures on anti-corruption are appropriately communicated to all stakeholders.</p> <p>During the year 2020, a total of 2 awareness sessions with Directors, 6 awareness trainings for internal stakeholders on top of mandatory online training and 4 VIP sessions for third parties were conducted. Maxis continues to inculcate MABC system and integrity as a working culture and proper conduct. The #IAmMaxis_Integrity & Me campaign held in conjunction of International Anti-Corruption Day in December 2020 highlights Leaders sharing Integrity Statements through Leaders Speak Integrity via Yammer, Integrity Survey and webinars with external panelists.</p> <p>The CoBP and the Code are periodically reviewed by the ARC and Board. This CoBP and the Code are also tracked by the Defalcation Committee and the outcome of any reports/investigations will be reported to the ARC and Board. The Maxis People and Organisation Team undertake regular reminders, communication and education to employees, and a mandatory annual assessment by employees to ensure adherence to the CoBP. Likewise, there are regular campaigns, reminders and communication of the Code, to create awareness, to ensure understanding and application of the Code to third parties. Maxis Anti-Bribery and Corruption Policy Statement, the CoBP, the Code, Third Party Integrity Pledge, Whistle Blowing Policy and No Gift Policy are published in the corporate website and will be updated from time to time.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness.

The board, management, employees, and other stakeholders are clear on what is considered acceptable behavior and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	Applied
Explanation on application of the practice	<p>In light of the requirements stipulated under the Bursa Malaysia's Corporate Governance Guide and the Companies Act 2016, Maxis' Whistleblowing Policy, established by the Board provides a secure reporting avenue via the Ethics Hotline for employees and third parties, who have knowledge or are aware of any improper conduct or unethical behavior including suspected fraud, bribery, corruption and criminal activity.</p> <p>The clear policies and procedures on whistleblowing are made available on the Company's website and through internal policies. Dedicated channels for reporting have been set up under the Ethics Hotline. These channels, under the custody and management of the Internal Assurance Division, are:</p> <ul style="list-style-type: none">i. Call, SMS or WhatsApp to Ethics Hotline number (03-2330 6678 or 017- 200 3922);ii. Email to ethics@maxis.com.my;iii. Letters/documents to the Maxis Ethics Office c/o Internal Assurance Division (Level 21, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia);iv. Email to mmokhza@maxis.com.my, Senior Independent Director <p>The Defalcation Committee meets regularly to deliberate on cases related to fraud, bribery, corruption and unethical conduct, as reported under the Ethics Hotline. Updates on the status and outcome of the reported / investigated cases by Internal Assurance are provided to the ARC on a quarterly basis. The ARC oversees the implementation of the Whistleblowing Policy, reviews the policies as well as reports from Management.</p>

	<p>The Board and the Management give their assurance that employees' and third parties' identities are kept confidential and that whistleblowers will not be at risk of any form of victimisation or retaliation from their superiors or any member of the Management provided that they act in good faith in their reporting. All concerns raised will be investigated by a team comprising of Internal Assurance, People & Organisation personnel and/or line management.</p> <p>On an ongoing basis, the Whistleblower Policy is covered during the onboarding of all new hires and is included in the Maxis' CoBP where all staff have to acknowledge on a yearly basis. The policy is also regularly communicated by Internal Assurance in every audit that it performs. The periodic communication to all staff is part of the efforts to promote strong ethical values, fraud, bribery, corruption and control awareness for the benefit of long-term success of the Company. All whistleblower complaints are investigated independently by Internal Assurance. Consistently, the Compliance Officer continues to advocate Whistleblowing Policy during staff and Vendor Integrity Programs. This is to encourage all employees and Third Parties to raise genuine concerns and complaints on suspicious circumstances as early as possible in the knowledge that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be respected.</p> <p>The Whistle Blowing Policy is published on the website: https://maxis.listedcompany.com/corporate_governance.html</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

Board decisions are made objectively in the best of the company taking into account diverse perspectives and insights.

Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent director

Application	Applied
Explanation on application of the practice	<p>The composition of the Board as at 31 December 2020 are majority independent non-executive directors.</p> <p>The composition of the Board currently comprises 5 Independent Non-Executive Directors (“INED”), that is equivalent to 55.5% of the composition of the Board. The INED are:</p> <ul style="list-style-type: none">i. Raja Tan Sri Dato’ Seri Arshad Bin Raja Tun Udaii. Tan Sri Mokhzani Bin Mahathiriii. Dato’ Hamidah Naziadiniv. Alvin Michael Hew Thai Kheamv. Mazen Ahmed M. Aljubeir <p>The composition of the Board is in compliance with the requirements of Paragraph 15.02 of the MMLR of at least 2 directors or 1/3 of the Board are NIED.</p> <p>Consideration of additional Independent Directors are under the review as NC is searching and considering suitable candidates who can contribute to Maxis in its growth strategy, digitalization journey and beyond.</p> <p>As for the Governance Structure, the Board has in place the ARC, NC and RC with clear Terms of References to assist the Board in the deliberations and recommendations as a check and balance. The Committees comprise majority INED, and each Committee provides their objective oversight functions and significant contributions to support the Board. Each of the Chairpersons of the Board, ARC, Nomination and RC are Independent Directors. The Chairpersons encourage active participation and sufficient time for discussions of issues brought forward to the Committees and/or the Board for deliberations and that the decisions and recommendations reflect the consensus in the best interests of Maxis.</p> <p>The independence of Maxis' Directors is measured based on the criteria prescribed under the Listing Requirements in which a Director should be</p>

	<p>independent of management and free from any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of unfettered and independent judgment or the ability to act in the best interest of the Company. Objective assessment of the independence of Directors based on the provisions of the MMLR is re-affirmed biannually. In addition, the review of Directors' independence is undertaken by way of a detailed questionnaire with a checklist of the MMLR definition of independence and a confirmation on the form and substance of the declarations, also forms part of the annual Board Effectiveness Evaluation ("BEE") exercise carried out by the NC. All Independent Directors have confirmed their independence through Maxis Self-Assessment. The outcome of the assessment of the Independent Directors were that they are 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 judgment. In addition, the independent directors, do not have family relationship with any Director and/or major shareholder of Maxis Berhad, and do not have conflicts of interests with the Maxis Berhad Group.</p> <p>The Board's and each Committee's decision making is collectively made in accordance with the provisions of the Company's Constitution, Board Charter, Terms of References of each Committee, policies and procedures, and applicable laws. No single person can influence Maxis' decision making and policies, as there are processes, approval matrices, compliance and governance requirements to adhere to. Specifically, each of the ARC, RC and NC have majority independent directors. As specified under Rule 150 of the Company's Constitution, decisions or resolution of the Board shall be passed, if approved, by a majority of votes. As specified under Rule 153 of the Company's Constitution, all Directors must assent to Circular Resolutions unless he or she has abstained from voting. Please also refer to pages 101-110 of the Integrated Annual Report 2020 on SORMIC that sets out the internal control processes and risk management of Maxis Berhad.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	Applied – Annual shareholders' approval for independent directors serving beyond 9 years																				
Explanation on application of the practice	<p>Summary of tenure of each directors are as follow:</p> <table border="1"><thead><tr><th>Name of Director</th><th>Tenure</th></tr></thead><tbody><tr><td>Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda</td><td>11</td></tr><tr><td>Tan Sri Mokhzani Bin Mahathir</td><td>11</td></tr><tr><td>Robert Alan Nason</td><td>4</td></tr><tr><td>Dato' Hamidah Naziadin</td><td>7</td></tr><tr><td>Alvin Michael Hew Thai Kheam</td><td>8</td></tr><tr><td>Mazen Ahmed M. Aljubeir</td><td>4</td></tr><tr><td>Mohammed Abdullah K. Alharbi</td><td>5</td></tr><tr><td>Abdulaziz Abdullah M. Alghamdi</td><td>2</td></tr><tr><td>Lim Ghee Keong</td><td>6</td></tr></tbody></table> <p>The Board through the NC assesses the independence of each Independent Director three times a year, using the criteria specified in the MMLR, and also other factors in light of the Directors' disclosure of interests, declarations to the Company such as transactions with the Maxis Group and any related party or conflict of interests situations. The Board is of the view that tenure should not be considered in isolation, as other aspects such as character, experience, integrity, competence and time committed to effectively discharge their fiduciary duties should also be factored in determining whether the Director is independent from management and free of any business and other relationship that could materially interfere with or could be perceived to materially interfere with the exercise of the Directors unfettered or independent judgement. The Board also believes</p>	Name of Director	Tenure	Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda	11	Tan Sri Mokhzani Bin Mahathir	11	Robert Alan Nason	4	Dato' Hamidah Naziadin	7	Alvin Michael Hew Thai Kheam	8	Mazen Ahmed M. Aljubeir	4	Mohammed Abdullah K. Alharbi	5	Abdulaziz Abdullah M. Alghamdi	2	Lim Ghee Keong	6
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Abdulaziz Abdullah M. Alghamdi	2																				
Lim Ghee Keong	6																				

that there are significant benefits to be reaped from long-serving Directors given that they have a deep understanding of the Company's needs and direction, whilst ensuring that they remain objective and impartial in the discharge of their duties. Recommendations by the Board and justifications to shareholders will be provided in circumstances where a Director is to remain as an INED despite serving more than nine years.

The Company will be seeking shareholders' approval at the forthcoming AGM for one Director, Alvin Michael Hew Thai Kheam ("AMH") who was appointed as Independent Directors on 30 August 2012 and would have exceeded serving as INED for cumulative terms of more than 9 years after 30 August 2021. Shareholders' approval via Ordinary Resolution for AMH will be sought to continue to act as INED from 30 August 2021 to 29 August 2022.

The NC and the Board are satisfied that AMH is able to exercise independent judgment and has the ability to act in the best interests of the Company. AMH has continued to exercise independence and due care during his present tenure as INED and has contributed in the following roles: Member of NC and Business & IT Transformation Committee ("BIT"). AMH has abstained from all deliberations and voting at the NC and Board in relation to the recommendation to the shareholders at the forthcoming AGM. The Board and NC have recommended that AMH continue to serve as Independent Non-Executive Director based on the following justifications:-

- i. AMH has fulfilled the criteria of an Independent Director as stated in the MMLR.
- ii. AMH has demonstrated his objectivity and independence when providing his contribution as member of the Board in considering Board-related matters and in discharging his responsibilities as Director.
- iii. The length of the time that he has remained in office does not interfere with his abilities to exercise independent judgment as Independent Director.
- iv. AMH, together with the other Independent Directors, each function as a check and balance to the Board and exercise objectivity as Directors.
- v. AMH has vast experience, knowledge and skills in a diverse range of businesses and therefore provides constructive opinion, counsel, oversight and guidance as Director. His insights and guidance

	<p>provide impartiality to matters considered at Board and Committee levels.</p> <p>vi. AMH has devoted sufficient time and attention to his professional obligations to Maxis for informed and balanced decision making.</p> <p>The profile of AMH is found on page 8 of Maxis Integrated Annual Report 2020.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 – Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	Not adopted
Explanation on application of the practice	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	Applied						
Explanation on application of the practice	<p>While the Board is responsible for appointment of new Directors and MMT (key senior management under Para 4A, Appendix 9C MMLR, that is persons who are primarily responsible for the business operations of the Maxis Group's core business and principal subsidiaries) the NC, as delegated by the Board, reviews the recommendations and appointments of Directors, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer & Chief Strategy Officer with due regard to the Para 2.20A of the MMLR, and the RC as delegated by the Board reviews the appointments of MMT and the overall organizational structure design at the strategic level. The NC comprises all independent directors and recommendations to the Board are objectively made based on the best interests of the Company as and when required subsequent to the annual review of the Board composition. Members of the NC do not participate and abstain on any matters concerning their own assessments or re-elections.</p> <p>The initial screening and selection of candidates includes internal recommendations as well as external consultants and search firms. The NC takes into consideration the skills, experience, merit, insights and the ability of the candidate to contribute to Maxis' growth ambitions as a leading converged solutions provider, while having due regard for age, cultural background, and diversity (that includes gender diversity) to draw diverse perspectives to meet the needs of Maxis. Maxis' Board Diversity Policy is further detailed in Practice 4.5.</p> <p>The disclosure on the Directors' and Management's diversity statistics is provided below:</p> <p>Board:</p> <table border="1" data-bbox="540 1740 1419 1871"><thead><tr><th colspan="2" data-bbox="540 1740 1419 1787">Skills and Experience</th></tr></thead><tbody><tr><td data-bbox="540 1787 1219 1829">Telecommunications and Media</td><td data-bbox="1219 1787 1419 1829">6</td></tr><tr><td data-bbox="540 1829 1219 1871">Consumer Related</td><td data-bbox="1219 1829 1419 1871">3</td></tr></tbody></table>	Skills and Experience		Telecommunications and Media	6	Consumer Related	3
Skills and Experience							
Telecommunications and Media	6						
Consumer Related	3						

Digital/New Technologies				3	
Investment and Venture Capital				5	
General Management				3	
Age Group				Gender	
30-39	40-49	50-59	>60	Male	Female
1	1	4	3	8	1

Maxis Management Team (Senior Management):

Age Group		Gender	
40-49	>50	Male	Female
3	6	6	3

The profiles of the Board and MMT indicating their diverse skills and experience are on pages 6-12 of the Integrated Annual Report 2020.

There were new 2 appointments to the Maxis Management Team during the year under review from internally sourced talent:-

- i) Abdul Karim Fakir Bin Ali as Chief Network Officer: and
- ii) Ng May Ching as Chief Information Officer.

The structure and compensation of Maxis Management Team and positions are reviewed by the RC. There were no new appointments to the Board during the financial year.

Explanation for departure

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure

Timeframe

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% woman directors.

Application	Departure	
Explanation on application of the practice		
Explanation for departure	<p>The Board recognises that diversity in its composition is critical in ensuring its effectiveness and good corporate governance. A truly diverse board will include and make use of differences in the age, skills, experience, cultural background, gender, ethnicity and nationality of its members. Underpinning Maxis Board Diversity Policy is Maxis' commitment to ensuring that all directors are appointed on merit, in line with the standards as set out in Para 2.20A of the MMLR. The NC and the Board regularly reviews the Board's composition to improve its diversity including its gender diversity.</p> <p>The search for the additional women and Independent Director candidates are in progress. The review and selections are aligned with Maxis' requirements for skills diversity, and for candidates with the experience and caliber who can contribute to Maxis' growth strategy to be a leading converged solutions provider. The present Board composition is cognisant of the diversity requirements and the measures to meet the 30% women Directors targets by 2023. The NC's exercise to expand the pool of potential candidates with profiles of women professionals in the country having the combination of skills, experience and strength in qualities which are relevant to Maxis is underway which includes utilisation of independent sources.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	The NC reviews and recommends the criteria for appointment of Directors based on the skills, composition and requirements of the Maxis operations' and competitiveness, and growth strategy.	
Timeframe	Within 2 years	The Board through the NC will continue to review the size, composition, structure and skills of the Board.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	Applied
Explanation on application of the practice	<p>The Board uses a variety of sources for the identification of suitable candidates. The NC reviews the composition, skill sets and Board requirements every year as part of the Board assessment. The Board may rely on recommendations from existing board members and other sources, including utilising independent sources to meet the skill sets and requirements of the Board. The Board will use a myriad of resources to source for candidates based on recommendations and independent sources.</p> <p>The NC has established a formal and transparent procedure for the selection, nomination and appointment of suitable candidates to the Board as described below:</p> <ul style="list-style-type: none">i) Identification of gaps or vacancy based on the review of Board composition and succession planii) Identification of candidatesiii) Evaluation of suitability of candidates based on skill set, experience, knowledge, integrity, competency and time commitment to effectively discharge their roles as Directors.iv) Meeting/ engagement with the shortlisted candidatesv) Finalisation of proposed candidate by the NCvi) Recommendation to the Board <p>There were no new appointments to the Board during the year. The Board has in the past utilised an independent source to identify Dato' Hamidah Naziadin as a Director.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	Applied
Explanation on application of the practice	<p>The Chairman of the NC, Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda ("RA") is an Independent Director. Details/profile of the Chairman is found in page 7 of the Integrated Annual Report 2020, and also under Practice 1.2 of this Corporate Governance Report. The Terms of Reference of the NC specifies that the Chairman must be an independent director.</p> <p>As the Chairman of the NC, RA has the following duties, but are not limited to:</p> <ul style="list-style-type: none">a) Lead the succession planning and appointment of the board members, including Board, Board Committees and CEO.b) Lead the assessment of the effectiveness of the Board and Board Committee as a whole, and the contribution of each individual director and Board Committee member as part of an overall annual independent assessment.c) Leading the communication to directors on the time commitment and duties as a directord) Ensuring that directors are provided with the adequate support or tools to undertake their participation in virtual meetings <p>The comprehensive duties of the NC can be found in the NC's Terms of Reference.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	Applied
Explanation on application of the practice	<p>The Board, through the NC, undertakes a formal and objective annual evaluation to determine the effectiveness of the Board, Board Committees and each individual director. In 2020, the Company had carried out an internal evaluation digitally via questionnaires using Survey Monkey, where each Board member were requested to complete the questionnaires. The Board will appoint an independent expert periodically to conduct the Board Effectiveness Evaluation ("BEE"). Spencer Stuart was appointed in 2019 as the independent expert for the 2019 BEE.</p> <p>The objective of the annual assessments is to track the Directors' discharge of their roles and responsibilities, identify areas for improvement, areas that need more attention, re-calibrate the areas where the Board, Committees and Directors have done well, or could do more of, gain insights, and to assess the overall effectiveness of the Board, Committee and Directors.</p> <p>The criteria assessed included inter alia:</p> <ul style="list-style-type: none">i. Each Director's effectiveness, the Board's and Board Committees' composition and mix of skills.ii. The Board's roles and responsibilities and effectiveness in areas of performance and strategy planning, risk, human capital management, regulatory requirements and Board communication.iii. The Board and Board Committees' roles and scope, frequency and length of meetings.iv. Management's supply of sufficient and timely information to the Board and the overall effectiveness and efficiency in discharging their functions.

- v. A general comments section for Directors to provide feedback or insights on any areas

Individual Director Evaluation were customised to cover their skills, contribution, level of preparedness and contribution to the Board and Board dynamics. The assessments also included additional questions on Anti-Corruption and MABC and Fit and Proper criteria as per Bank Negara Malaysia guidelines as a benchmark, and the recent update on Securities Commission's Policy and Guidelines on Conduct of Directors for Directors of PLCs and their subsidiaries. The Directors were also asked to confirm their shares in Maxis Berhad, if they have any family relationship with any Director and/or major shareholder of Maxis Berhad, conflicts of interests with Maxis Berhad and if they been convicted of any offence (other than traffic offences) within the past five years and have not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2020.

The Outcome on the key strengths of the Board were as follows

- Collective strength of the Board challenging status quo and having robust discussions in reaching decisions and recommendations that reflect the Board's consensus in the best interests of Maxis
- There is healthy and respectful dynamics between the Board, CEO and Management
- Camaraderie and respect among the Directors

Findings from the BEE on format and contents of Board papers and pre-reads were communicated with Management for immediate implementation.

The NC reviewed the results, and shared the outcome of the assessment with the Board. The Board agreed on the action points moving forward including specific training needs of the Directors. These include, inter alia, enhancing the Board's composition and dynamics, succession planning and deeper dives into specific areas of the telecommunications industry. Key workshops and training programmes conducted by reputable industry experts will be scheduled in 2021 to support the continuing development amongst Board members.

Each Director also undertook a self-assessment of his/her performance during the financial year ended 31 December 2020 based on the criteria as prescribed under Para 2.20A of Listing Requirements confirming their

character, experience, integrity, competence and time committed in order to discharge their respective roles as Directors of Maxis.

During the year, the NC and Board, in accordance with Para 15.20 of the MMLR, also reviewed the terms of office and performance of the ARC and each of the members. The NC and the Board found that the ARC and its members carried out their duties in accordance with ARC' s terms of reference and was satisfied with the ARC's performance as its Chairman and members possess the requisite knowledge, experience, expertise and skills which contributed to the overall effectiveness of the ARC.

The results of the NC's assessment of the ARC were as follows:-

1. The ARC's independence is satisfactory. The Committee's actions reflect independence from Management or any related parties and act freely from any conflicts of interest
2. The ARC demonstrated confidence in dealing with difficult and complex matters brought before the ARC
3. The ARC reviewed and reported to the Board, the quarterly and year-end financial results and year-end financial statements, before approval of the Board, focusing particularly on:-
 - a. Changes in or implementation of major accounting policies;
 - b. Going concern assumption and ability of the company;
 - c. Significant and unusual events;
 - d. Reports from the external auditors; and
 - e. Compliance with applicable approved financial reporting standards and other legal requirements
4. The ARC reviewed and reported to the Board, the adequacy of the:-
 - a. External auditors (fees, quality of audit function, competence, resources including key audit partner and knowledge)
 - b. Internal auditors (scope, methodology, competence, resources and quality of functions)
 - c. Maxis' accounting and finance staff

	<p>5. The ARC reviewed related party transactions and conflict of interest situations, including the quarterly review of the Recurrent Related Party Transactions Mandate for 2020/2021</p> <p>6. The ARC Chairman presented a formal detailed report to the Board about the proceedings of the ARC</p> <p>7. The ARC is committed and has the competence, integrity, sufficient skills, experience, time and resources to undertake their duties</p> <p>8. The ARC was satisfied that appropriate internal and external support and resources are available to the ARC</p> <p>Details of the ARC's performance assessment can be found on page 94 in the Statement of the NC of the Integrated Annual Report 2020.</p>	
<p>Explanation for Departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	Applied
Explanation on application of the practice	<p>The Board has delegated to the RC the responsibility to oversee and recommend the structure of the remuneration policy and frameworks for the Directors and MMT. Maxis' remuneration policy underpins its aim to develop a remuneration structure that is able to attract, reward and retain qualified Directors and Senior Management (MMT) in steering Maxis to achieve its strategic goals and create long-term value.</p> <p><u>Directors</u></p> <p>The remuneration policy for Directors is reviewed annually by NC and RC prior to making its recommendations to the Board for approval. Factors such as the Directors duties and responsibilities as directors and members of Committees, time commitment, fiduciary responsibilities and other matters are considered. The level of remuneration (Directors fees and benefits-in-kind) reflects the time commitment, experience, expertise and level of accountabilities and responsibilities undertaken by the Non-Executive Director concerned. Regular benchmarks are undertaken for Directors fees. The RC may engage an external consultant to advise and review the Group's remuneration policy.</p> <p>Remuneration of our Non-Executive Directors is subject to annual approval by shareholders. The current remuneration packages of the Non- Executive Directors consist of fees and benefits-in-kind for the Chairman. Executive Directors' remuneration would include basic salaries and bonuses, benefits-in-kind and other benefits. There are presently no Executive Directors on the Board of Maxis Berhad.</p>

	<p>The CEO of Maxis Berhad is not a director on the Board of Maxis Berhad and his remuneration is reviewed by the RC and recommended to the Board. In determining the bonus, RC reviews the performance based on the scorecards of the CEO which specifies his achievements and results of KPIs for Corporate Goal (financial and business KPIs), individual Priorities (operational KPIs) and Employee Development.</p> <p><u>Maxis Management Team (Senior Management)</u></p> <p>Maxis is committed to providing competitive total compensation opportunities that attract, reward, and motivate our employees to deliver outstanding performance. Our remuneration strategy and practices support our overall strategy and links individual remuneration with the Company and individual performance. The current compensation packages for senior management consist of basic salaries, bonuses and Long-Term Incentive Plan.</p> <p>Remuneration of MMT includes:-</p> <ul style="list-style-type: none"> i. The salaries, allowances, incentives (short term bonuses and long-term incentive); ii. Report taking into account of the role and responsibility, corporate objectives and strategy, market competitiveness; and iii. Benchmarks in comparative environment and market capitalisation. <p>Note: : The Terms of Reference of the NC and RC, and Maxis' Remuneration Policy (Non-Executive Directors' Fees, Expenses and Reimbursement Policy) are published on the Maxis website: https://maxis.listedcompany.com/corporate_governance.html</p>
<p>Explanation for Departure</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	
<p>Timeframe</p>	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	Applied
Explanation on application of the practice	<p>The remuneration policy is specified in the Terms of Reference of the RC and has been approved by the Board and the RC.</p> <p>The Board and the RC have a transparent process for approving the remuneration of Directors, the CEO and MMT ("Senior Management"). Remuneration for Non-Executive Directors consist of fees, benefits-in-kind ("BIK") and other benefits (where applicable). Remuneration for CEO and Senior Management includes salary, bonus, and Long-Term Incentive Plan ("LTIP"). The RC is governed by a detailed Terms of Reference to ensure that the remuneration of CEO and MMT are in line with market practice, competitive, performance-based and in line with corporate objectives and strategy. The RC is also responsible for the review of, administering and implementing the LTIP in accordance with the LTIP by-laws that were approved by shareholders on 28 April 2015 and for approving the LTIP grants every year.</p> <p>During the year, the RC reviewed the following key matters:-</p> <ul style="list-style-type: none">• Annual Operating Plan for People and Organisation• Organisation structure and new appointments of the 2 new MMT members, including the departure of the previous Chief Technology and Information Officer• Long-Term and Short-Term Incentives• Culture refresh• Resource costs review and actions to be taken in light of COVID-19 and Company performance measures for rewards

- Performance and remuneration including annual salary and bonus for employees and the Chief Executive Officer
- Succession planning of key talents, including MMT and overall diversity and inclusion
- Learning and development
- Scholarship program

Remuneration of Directors and Maxis Management Team

The Board has delegated to the RC the responsibility to oversee and recommend the structure of the remuneration policy and frameworks for the Directors and MMT. Recommendations by the RC are considered, reviewed and if in order approved by the Board. Maxis' remuneration policy and framework has been developed to attract and retain Directors and management of the calibre needed to run the Group successfully and create value for shareholders and various stakeholders.

The remuneration for Executive Directors is structured so as to link rewards to corporate and individual performance. The determination of the remuneration of the Executive Directors will be decided by the Board as a whole. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken. Remuneration of the Non-Executive Directors is subject to annual approval by shareholders. Directors' remuneration packages comprise fees and benefits in kind, while Executive Directors remuneration package comprise basic salaries, bonuses and benefits-in-kind and other benefits. There are presently no Executive Directors on the Board. The CEO's Key Performance Indicators are reviewed and tracked by the RC on an annual basis.

During the year 2020, AON Hewitt was appointed to evaluate remuneration of the MMT as follows:

- i) salaries, allowances and incentives (short term bonuses and long-term incentives);
- ii) preparation of a report taking into account of the roles and responsibilities, corporate objectives and strategy, market competitiveness; and
- iii) benchmarks with companies in comparative environment and market capitalisation.

	<p>In the year 2019/2020, Willis Towers Watson (“WTW”) was appointed to undertake an independent benchmark on Directors and Committee members’ fees. WTW’s exercise took into account factors such as the Directors’ existing remuneration structure and the demands, complexity, time commitment, accountability and responsibilities expected of the Directors. WTW’s assessment involved a benchmarking exercise carried out against remuneration structures adopted by local and regional companies (comparators).</p> <p>Based on an assessment and review of the comparators, and in accordance with Section 230 of the Companies Act 2016, the Company will be requesting shareholders’ approval for the payment of Non-Executive Directors’ fees and benefits that includes a request for fees, for the GRAC (that has not been remunerated since its formation in 2019), and additional fees for the ARC, and the BIT. The shareholders’ resolution for payment of directors’ fees and benefits is for the period commencing from the conclusion of the forthcoming Twelfth AGM up till the conclusion of the next AGM of the Company in 2022. The details are contained in the Notice of the forthcoming Twelfth AGM.</p> <p>Note: Terms of Reference of the RC, and Maxis' Remuneration Policy are published on the Maxis website https://maxis.listedcompany.com/corporate_governance.html</p>
Explanation for Departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors fees, salary, bonus, benefits in-kind and other emoluments.

Application	Applied																																																																																						
Explanation on application of the practice	<p>The detailed fees and BIK paid and payable to Directors are disclosed in the Integrated Annual Report 2020 on page 88. In accordance with Section 230 of the Companies Act 2016, the fees and BIK are tabled to shareholders for approval at the AGM.</p> <p>The Remuneration for Non-Executive Directors comprises fees and other BIK payable to the Chairman and members of the Board, and the Chairmen and members of Board Committees, and the structure is set out in the AGM Notice dated 24 March 2021. The CEO's remuneration package is approved by the Board in accordance with Rule 123 of the Constitution of the Company.</p> <p>The remuneration received by each of the Directors in 2020 is set out in the table below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Directors</th> <th colspan="2">Received or to be received from the Company</th> <th colspan="4">Received or to be received from a subsidiary</th> <th rowspan="2">Total Amount RM</th> </tr> <tr> <th>Fee RM</th> <th>Benefits in-Kind RM</th> <th>Salaries RM</th> <th>Bonus and Incentives RM</th> <th>Other Short-Term Benefits RM</th> <th>Benefits in-Kind RM</th> </tr> </thead> <tbody> <tr> <td>Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda</td> <td>490,020</td> <td>40,150</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>530,170</td> </tr> <tr> <td>Tan Sri Mokhzani bin Mahathir</td> <td>390,024</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>390,024</td> </tr> <tr> <td>Robert Alan Nason</td> <td>320,016</td> <td>-</td> <td colspan="4">Please refer to pages 161 to 162 of the Integrated Annual Report 2020</td> <td>320,016</td> </tr> <tr> <td>Dato' Hamidah Naziadin</td> <td>340,020</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>340,020</td> </tr> <tr> <td>Alvin Michael Hew Thai Kheam</td> <td>290,016</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>290,016</td> </tr> <tr> <td>Mohammed Abdullah K. Alharbi</td> <td>270,012</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>270,012</td> </tr> <tr> <td>Mazen Ahmed M. Aljubeir⁽¹⁾</td> <td>290,016</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>290,016</td> </tr> <tr> <td>Abdulaziz Abdullah M. Alghamdi</td> <td>270,012</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>270,012</td> </tr> <tr> <td>Lim Ghee Keong</td> <td>290,016</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>290,016</td> </tr> </tbody> </table> <p>Notes: Save as disclosed above, no other remuneration has been paid to the Directors by the Company and/or its subsidiaries. ⁽¹⁾ Re-designated from Non-Executive Director to Independent Non-Executive Director on 24 April 2020.</p>	Name of Directors	Received or to be received from the Company		Received or to be received from a subsidiary				Total Amount RM	Fee RM	Benefits in-Kind RM	Salaries RM	Bonus and Incentives RM	Other Short-Term Benefits RM	Benefits in-Kind RM	Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	490,020	40,150	-	-	-	-	530,170	Tan Sri Mokhzani bin Mahathir	390,024	-	-	-	-	-	390,024	Robert Alan Nason	320,016	-	Please refer to pages 161 to 162 of the Integrated Annual Report 2020				320,016	Dato' Hamidah Naziadin	340,020	-	-	-	-	-	340,020	Alvin Michael Hew Thai Kheam	290,016	-	-	-	-	-	290,016	Mohammed Abdullah K. Alharbi	270,012	-	-	-	-	-	270,012	Mazen Ahmed M. Aljubeir ⁽¹⁾	290,016	-	-	-	-	-	290,016	Abdulaziz Abdullah M. Alghamdi	270,012	-	-	-	-	-	270,012	Lim Ghee Keong	290,016	-	-	-	-	-	290,016
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Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	Departure
Explanation on application of the practice	
Explanation for Departure	<p>The RC and Board are of the view that the disclosures of Senior Management's remuneration that include the key management personnel in the Audited Financial Statements (AFS) are adequate as it complies with the requirement of Paragraph 17 of MFRS 124 "Related Party Disclosures". Maxis endeavours to hire the best talents from Malaysia as well as the international markets. Many of its Malaysian talents also have a lot of international experience. Maxis relies on its robust systems and processes and oversights to ensure remunerations are competitive and managed strategically and strongly linked to performance and potential. The Board believes that the disclosure of Senior Management's remuneration is not in its best business interests given the sensitivity of such information and the intense competition for talent in the industry. Disclosing the bands of RM50,000 would affect the competitiveness of Maxis. The success of the business and execution of the strategy depends on the Company's ability to attract, motivate and retain the right talented employees.</p> <p>The disclosure in the AFS is sufficient and in compliance with Paragraph 17 of MFRS 124.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 – Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	Not adopted
Explanation on application of the practice	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	Applied
Explanation on application of the practice	<p>The positions of the Chairman of the Board and ARC are held by separate individuals, who are independent directors. The Chairman of the Board is Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda while the Chairman of the ARC is Tan Sri Mokhzani bin Mahathir. This promotes robust and open deliberations by the Board on matters referred by the ARC.</p> <p>The ARC comprises majority independent directors, and has a detailed Terms of Reference to govern the activities of the ARC. The Terms of Reference of the ARC has been amended in 2017 to reflect the requirements of Practice 8.1 that "The ARC Chairman is not the Chairman of the Board".</p> <p>The profiles of the respective Chairman of the Board, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Chairman of the Audit Committee, Tan Sri Mokhzani bin Mahathir can be found in page 7 of the Integrated Annual Report 2020.</p>
Explanation for Departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

There is an effective and independent Audit Committee.

The Board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	Applied
Explanation on application of the practice	<p>The policy is specified in the Terms of Reference of the NC, as the NC facilitates the review of the composition of the Board Committees including the ARC , prior to any recommendation to the Board. None of the members of the Board and consequently members of the ARC were former key audit partners of PricewaterhouseCoopers PLT ("PwC"), Maxis' present external auditors within the cooling off period of two years. This ensures that the suitability, objectivity, independence and effectiveness of the external auditors are retained.</p> <p>In addition, the NC in line with the requirements of Para 15.20 of the MMLR reviews the term of office and performance of the ARC and each of its members annually to determine whether such ARC and members have carried out their duties in accordance with their terms of reference. Please also refer to the disclosures in Practice 5.1.</p>
Explanation for Departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to access the suitability, objectivity and independence of the external auditor.

Application	Applied
Explanation on application of the practice	<p>The services rendered by the external auditor must comply with the Maxis External Audit Independence Policy (EAIP). The EAIP covers the following aspects:</p> <ul style="list-style-type: none">i) Spending limit on non-audit//audit related services.ii) List of pre-approved type of services.iii) List of prohibited services that should not be carried out by the external auditors.iv) Process for approving, recording and reporting the provision of non-audit/audit related services.v) Monitoring responsibilities of the ARC on the external auditor's independence, objectivity and effectiveness. <p>In ensuring the external auditor's effectiveness, objectivity and independence, the ARC undertakes two annual assessments on the external auditors:</p> <ul style="list-style-type: none">i) Evaluation on the compliance level of the services carried out by the external auditor vis-a-vis the Maxis EAIP clauses to determine whether or not the services rendered would impair their independence and objectivity as external auditors, as well as with other company policies i.e., the internal LOA and Procurement Policy and Standards; andii) Assessment on the external auditors covering the following criteria:<ul style="list-style-type: none">i) Calibre of audit firm; ii) Quality Processes; iii) Audit Team; iv) Audit Scope; v) Communications; vi) Audit Governance vii) Independence; and viii) Audit Fees. <p>The ARC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism. During the year, the ARC</p>

	<p>met with the external auditor of the Company, PwC, twice in the absence of Management.</p> <p>Based on the on-going monitoring on the external auditor's engagements by ARC and the annual assessment conducted by the Internal Assurance, the external auditor of the Company, PwC was found to be in full compliance with the policies. PwC annually confirms in writing to the ARC their independence to the Group within the meaning of the provisions of the Bye-Laws on Professional Independence of the Malaysian Institute of Accountants and PwC's firm's requirements.</p> <p>The ARC was satisfied and remains confident with the external auditor's effectiveness, objectivity and independence throughout its services rendered in 2020 based on the assessed criteria above. Based on the outcome of the annual assessment of external auditors, the Board had on 24 February 2021 approved the ARC's recommendation for shareholders' approval to be sought at the forthcoming 12th AGM on the re-appointment of PwC as external auditors of the Company for the financial year ending 31 December 2021.</p>	
Explanation for		
Departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.4 – Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	Not Adopted
Explanation on application of the practice	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practice and rules.

Application	Applied
Explanation on application of the practice	<p>The Chairman and members of the ARC are financially literate, have extensive business experience, and with each member having skill sets that make the ARC effective as a team, lending it the ability to effectively discharge its duties and responsibilities in accordance with the Terms of Reference of the ARC.</p> <p>The ARC is chaired by Tan Sri Mokhzani bin Mahathir who has more than 30 years of experience in the IT, property, and oil and gas sector. Members of the ARC, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda is a Fellow of the Institute of Chartered Accountants in England and Wales, and Robert Nason is a fellow of CPA Australia. The composition of the ARC, therefore, meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which stipulates that at least 1 member of the ARC is a member of an association of accountants as specified in Part II of the First Schedule of the Accountants Act 1967. As explained in Practice 5.1, the NC and Board, in accordance with Para 15.20 of the MMLR, also reviewed the terms of office and performance of the ARC and each of the members and was satisfied that the ARC and members have carried out their duties in accordance with the ARC's terms of reference. The detailed ARC Report can be found on pages 96 to 100 of the Integrated Annual Report 2020.</p> <p>The ARC in the discharge of its duties, reviews the Agenda items and matters put forward with emphasis to ensure that the financial reporting process is adhered to and that financial reports of the Company comply with applicable financial reporting standards.</p>

	<p>All ARC members keep themselves abreast with relevant industry developments including accounting and auditing standards and enhance their skills through appropriate continuing education programmes and constantly update themselves on the applicable statutory and regulatory requirements. Updates on laws and regulations, and regulatory matters are also Agenda items for every ARC meeting.</p> <p>Members of the ARC attend trainings and talks, including receiving briefings at ARC Meetings to keep them updated on developments on financial standards. Online learning tools on various subjects are made available to all our Directors, including the ARC members. The external auditors, PwC share publications with ARC members and the Directors on a regular basis. All of Maxis' Directors regularly attend talks, briefings and utilise online learning tools on operational, legal, regulatory and industry matters to keep themselves appraised and to assist in the discharge of their functions. The Directors including the ARC members also have access to members of Management to clarify any queries/questions about Maxis' operations, business and financial related matters.</p> <p>Key trainings, talks and briefings attended by the ARC members during the year are:-</p> <ul style="list-style-type: none"> i. Briefings on the ARC Agendas and proceedings. They were respectively briefed on the updated ARC Terms of References, and roles and responsibilities of the ARC ii. Updates on the applicable accounting standards and policies and the implications to Maxis Berhad by the Chief Financial Officer and Head of Financial Control iii. Detailed briefings on cyber/ data threats that also enhanced the Board' knowledge on risk. iv. Updates on Health and Safety matters and the COVID-19 response plans. v. Report and assessment of Maxis' processes and policies in preparation for Section 17A of the MACC Act <p>Details of key trainings attended by ARC members and Directors are available in page 87 of the Integrated Annual Report 2020.</p>
Explanation for Departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Companies make informed decisions about level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

The board should establish an effective risk management and internal control framework.

Application	Applied
Explanation on application of the practice	<p>The Board of Maxis, in discharging its responsibilities, is fully committed to articulating, implementing and reviewing a sound risk management and internal control environment. The Board is responsible for determining the Group's risk appetite and risk tolerance level within which the Board expects Management to operate.</p> <p>The Management has primary responsibility for identifying, assessing, monitoring and reporting key business risks to the Board in order to safeguard shareholders' investments and the Group's assets. Risk management and internal control systems are designed to identify, assess and manage risks that may impede the achievement of the Group's business objectives and strategies rather than to eliminate these risks entirely. Risk management and internal control systems can only provide reasonable and not absolute assurance against fraud, material misstatement or loss, and this is achieved through a combination of preventive, detective and corrective measures. During the financial year, ERM function made a significant enhancement by implementing an Integrated Risk Management solution into Maxis as part of its transformation agenda and further improved the ERM maturity level.</p> <p>The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the ARC. The ARC, supported by the Internal Assurance division, provides an independent assessment of the effectiveness of the Maxis ERM framework which comprises three (3) lines of defence with established and clear functional responsibilities and accountabilities for the management of risk. The ARC reports to the Board on a yearly basis.</p> <p>The roles and responsibilities of ARC on risk management and internal</p>

	control are outlined in the ARC's TOR. Details of risk management and internal controls are available in the SORMIC as provided in pages 101 to 110 of the Integrated Annual Report 2020.	
Explanation for Departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Companies make informed decisions about level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework and the adequacy and effectiveness of this framework.

Application	Applied
Explanation on application of the practice	<p>The Board regards risk management as an integral part of the Maxis Group's business operations and has oversight over this critical area through the ARC. The Maxis ERM framework is broadly based on the ERM framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and ISO 31000. The Maxis ERM framework involves systematically identifying, analysing, measuring, monitoring and reporting on risks that may affect the achievement of its business objectives.</p> <p>There is an ERM function that administers the ERM process to ensure risks that may affect the achievement of Maxis' business objectives are identified, evaluated and managed. A structured process has been established where risk management discussions are held on a regular basis between units within departments/sections to identify potential risks that might deter the department/section from achieving its business objectives. This also includes continual review of existing identified risks and effectiveness of risk mitigation plans and controls. The analysis and evaluation of risks are guided by approved risk criteria. The Maxis Group also leverages on risk management tools to support the risk management process and reporting.</p> <p>The ARC, and the Board, are of the opinion that the Maxis Group's internal controls and risk management systems were adequate and effective as at 31 December 2020 to address strategic, financial, operational, compliance and information technology risks, which the Maxis Group considers relevant and material to its operations. The ARC and Board's opinion was based on the internal controls established and maintained by the Maxis Group, work performed by internal and external auditors, reviews performed by Management and the various Board Committees as well as assurances from the CEO, CFSO and members of the MMT that the Company's internal</p>

	<p>controls and risk management systems were adequate and effective as at 31 December 2020 to address financial, operational, compliance and information technology risk.</p> <p>In February 2021, the ARC reviewed and recommended the Q4'20 key enterprise risks assessment, for the Board's approval. The Board considered the residual risk severity of the top 11 key risks of the Group and took into consideration the potential impact that could affect the strategic objectives of the Group. All the 11 existing risks were maintained. Whilst the risk analysis has included the areas of environment (flood/forest fire) and social (work condition/responsible sourcing), there is no material risk that has been identified.</p> <p>The internal audit function has also implemented technology-driven automated checks over a number of selected internal control areas on top of the annually planned engagements, which allows ARC and Management to have broader assurance visibility on a continuous basis.</p> <p>Management will continue to assess and rate key enterprise risk based on key risk indicators and risk exposure (financial/non-financial). The ARC will regularly monitor the key risks that may affect the Maxis Group's business strategy.</p> <p>Further details on the key risk areas, management and reporting of principle risk, and the controls in place to mitigate and manage those risks are provided in the SORMIC on pages 101 to 110 of the Integrated Annual Report 2020.</p>
Explanation for Departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objective.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 – Step Up

The board established a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	Not adopted
Explanation on application of the practice	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	Applied
Explanation on application of the practice	<p>The Internal Assurance Division reports independently to the ARC. In addition, the Head of the Internal Assurance has direct access to the Chairman of the ARC. The Internal Assurance is responsible to provide objective and independent assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Management. Reviewing the Internal Assurance function's effectiveness and independence is part of ARC's oversight responsibilities as stipulated in the ARC Charter approved by the Board. Please also refer to Page 100 of the Integrated Annual Report 2020.</p> <p>Internal Assurance aims to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. Internal Assurance assists the Group to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the Group's management of risk, control, and governance processes. Internal Assurance also provides advisory input on management's initiatives to develop the Group's governance framework.</p> <p>In keeping abreast with the current development of the profession and relevant industry regulations and practices, Internal Assurance staff attend trainings and conferences relevant to their area of responsibilities. Throughout 2020, a total of 94 days was spent by the Internal Assurance staff attending internal/external trainings and conferences in various technical and non-technical subjects, representing an average of 5 days per auditor.</p> <p>In ensuring the effectiveness and independence of the internal assurance function, the ARC:</p> <ol style="list-style-type: none">i. Recommends to the Board to approve the appointment and removal of the Head of Internal Assurance.

	<ul style="list-style-type: none"> ii. Approves the risk based internal audit plans including budget and resource plan. iii. Make appropriate inquiries of management and the Head of Internal Assurance to determine whether there are inappropriate scope or resource limitations. iv. Receive communications from the Head of Internal Assurance on the internal audit activity's performance relative to its plan and other matters. v. Reviews and approves the Internal Assurance Charter on an annual basis. vi. Assessment of performance of the Internal Assurance function and performance of the Head of Internal Assurance. <p>Internal Assurance carried out its activities based on the risk-based Annual Audit Plan approved by ARC. Based on the approved Annual Audit Plan for 2020, a total of 48 engagements were conducted as at year-end covering the following key areas:</p> <ul style="list-style-type: none"> i. Accounting & Financial Activities (16%) ii. Key Projects Implementation (19%) iii. Network and Information Technology (10%) iv. Regulatory Compliance (17%) v. Sales Operations (13%) vi. Contracts Management (8%) vii. Investigative (17%) <p>At the ARC' s quarterly meetings, Internal Assurance presented updates of its Annual Audit Plan 2020, including the status of engagements, key findings from audit reports, audit recommendations by the internal auditors, results of investigations performed by the internal auditors and the representations made, as well as corrective actions taken by Management to address and resolve issues, ensuring these were adequately addressed on a timely basis.</p> <p>The detailed activities carried out by the Internal Assurance and the annual effectiveness of the Internal Assurance are provided in the ARC Report on pages 96 to 100 of the Integrated Annual Report 2020.</p>
Explanation for Departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose-

- whether internal audit personnel are free from any relationships or conflict of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	Applied
Explanation on application of the practice	<p>The Internal Assurance Division reports functionally to the ARC. It is headed by Shafik Azlee Mashar, who has extensive experience in managing internal audit functions within telecommunications, FMCG and banking organisations. Shafik holds a Bachelor's degree in Information Systems Engineering from Imperial College of Science Technology & Medicine, London and is a Engineering Graduate from Imperial College of Science Technology & Medicine, London and is a Certified Information Systems Auditor (CISA), Certified PRINCE2 Project Management Professional and Certified ScrumMaster (CSM) for Agile. His profile is available on page 13 of the Integrated Annual Report 2020.</p> <p>Internal Assurance governs itself by adherence to the Institute of Internal Auditors' (IIA) mandatory guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ("Standards"). The function adheres to the Group's Code of Business Practice; relevant policies and procedures; and the Internal Assurance's standard operating procedures manual. Internal Assurance also adheres and to the relevant best practices frameworks such as COSO, COBIT and eTOM.</p> <p>Internal Assurance team currently comprises of 20 auditors, with all having tertiary qualifications. The level of expertise and professionalism within the team at the end of 2020 is as follows:</p> <ol style="list-style-type: none">1) Expertise Category (percentage of total auditors): Accounting & Finance (20%); Information Technology (30%); Commercial (25%); Network/ Engineering (15%); and General/Others (10%)

	<p>2) Certified Professionals: 92% of the auditors are professionally certified in the following fields as of 31 December 2020:</p> <ul style="list-style-type: none"> i. CPA, ACCA, ii. Certified Internal Auditor (CIA) iii. Certified Information Systems Auditor (CISA) iv. Certified Information Systems Security Professional (CISSP) v. Certified Information Security Manager (CISM) vi. Certified ScrumMaster (CSM) vii. Projects in Controlled Environments (PRINCE2) viii. Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) <p>To provide for the independence of the Internal Assurance Division, its staff report to the Head of Internal Assurance, who reports directly to the Chairman of the ARC and administratively to the Chief Executive Officer. The Head of Internal Assurance must confirm to the Committee, at least annually, the organisational independence of the internal audit activity. All the Internal Assurance personnel have confirmed via annual declarations that they are free from any relationships or conflicts of interests, which could impair their objectivity and independence.</p> <p>Additionally, in accordance with the TOR of the ARC, the ARC had in January 2020 conducted an annual assessment of the effectiveness and performance of the Internal Assurance function and was satisfied that its activities were performed independently and with impartiality, proficiency and due professional care. The assessment covered three key categories of effectiveness, i.e., Positioning (Mandate & Strategy, Organisation & Structure, Stakeholders & Funding), People (Leadership, Competencies, Staffing Strategy, Culture and Reward & Appraisal) and Processes (Risk Assessment & Planning, Execution and Reporting).</p> <p>Internal Assurance Charter which defines the internal auditors' purpose, authority, scope and responsibility in their work are also reviewed and approved by the ARC periodically to ensure effective and positive contribution to the Group.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	Applied
Explanation on application of the practice	<p>The Board acknowledges the importance of effective communication channels between the Board, shareholders, stakeholders, institutional investors and the investing public that provides accurate, timely and transparent information of the Group's performance and position. The Maxis Group is fully committed in maintaining high standards in the dissemination of material information in accordance with the MMLR for comprehensive, timely and continuous disclosure. This allows stakeholders to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility. In providing timely disclosures to shareholders, all required/ material announcements will be released immediately to Bursa Malaysia Securities Berhad ("Bursa Securities") when matters are triggered in accordance with the MMLR and applicable regulations.</p> <p>The Company has in place a detailed Corporate Disclosure Policy that provides guidance and reference on the principles and channels of communication, policies and procedures on dissemination of material information to various stakeholders (as set out in Page 90 of the Integrated Annual Report 2020) while being committed to compliance with the continuous disclosure obligations in accordance with the MMLR.</p> <p>The Company actively promotes active engagement and communications with its shareholders and stakeholders through the following channels:-</p> <ol style="list-style-type: none">1. <u>Investor Relations via Company's Website</u> An online Investor Relations section and online Newsroom are available for shareholders, investors and general public to have access to financial statements, presentation materials, Integrated Annual Report, announcements made to Bursa Securities, share price information, dividend information, the corporate and governance

structure (including charters, terms of reference, policies), notices of general meetings and minutes of general meetings of Maxis. These information are all accessible at Maxis' website www.maxis.com.my with direct access via <https://maxis.listedcompany.com> for ease of access to the latest information about Maxis.

2. Integrated Annual Report

The Integrated Annual Report provides investors, shareholders and the general public with key information on the Company's business, strategy, governance, performance and other key activities. The Board takes overall responsibility of the Integrated Annual Report and places great importance on the content to ensure the accuracy of the information disclosed. In 2020, Maxis published its first Integrated Annual Report which is also available on the Company's website.

3. Quarterly Results and Analyst Briefings

Quarterly results briefings are chaired by the CEO, shortly after each announcement of quarterly results to Bursa Securities. These briefings are typically conducted via conference calls and attended by senior management. This allows a platform for dialogue between fund managers and analysts with senior management, ensuring balanced and timely view of Maxis' performance are disseminated to the investing public via analyst reports. The presentation materials and transcripts are made available on the company's website at the end of the briefing session.

4. Announcements to Bursa Securities

Quarterly financial results, circulars and various announcements are made via Bursa LINK in full compliance with regulatory authorities' disclosure requirements. These are also available on Maxis' website <https://maxis.listedcompany.com>

5. Media releases and media events

All key business initiatives and corporate developments are provided to the media to ensure investors, shareholders and the general public are constantly updated on the Company's business and performance. Media releases are available online via Maxis' Newsroom <https://www.maxis.com.my/about-maxis/newsroom/>. In 2020 following the first MCO, processes were put in place to conduct all media events (five in total) virtually. These virtual events drew strong

media attendance, similar or even more compared to physical media events.

6. General Meetings

The AGM and General Meetings represent the primary platforms for direct two-way interaction between the shareholders and Board/Management of the Company. There were 226 shareholders, proxies and corporate representatives logged in for the fully virtual 11th AGM held on 15 June 2020 using the remote platform. 4,500 shareholders participated in the AGM in 2019 as compared to 226 shareholders in 2020 which held fully virtual. The 11th AGM lasted for 1.5 hours (please refer to Practice 12 on the details of the proceedings of the AGM) and the Key Matters Discussed was uploaded onto the website after the AGM. Active participation by the shareholders is encouraged during the AGM through the open platforms made available to the shareholders to raise questions relevant to the AGM agenda and appropriate response and clarification are promptly provided by the Board/Management. The email for asking questions is clearly provided at the Notice of the AGM and in the Maxis website.

7. Internal communication channels

The Company engages with its employees primarily through its internal platforms, Squiggle and Yammer for news and happenings, video campaigns, volunteerism opportunities, company updates and announcements on performance, product launches, surveys, training sessions and talks, among others. The Yammer platform encourages virtual engagement amongst all employees. All internal communication campaigns were carried out virtually in 2020, which is amplified via Yammer and Squiggle.

8. Community Programs

The Company engages with local communities via its flagship community programme eKelas, an after school digital learning initiative to help students improve in their academic performance, where access to learning content is via the eKelas portal. We also run digital marketing workshops for local entrepreneurs in rural communities to equip them with digital marketing tools. Beyond this, we work with various NGOs for humanitarian and disaster relief efforts as well as reaching out to underprivileged communities. The

	<p>Company encourages all employees to volunteer in these activities, leveraging the power of technology and the Internet to bring positive and long-lasting impact to the communities around us. In 2020, community outreach activities such as distribution of aid and/or devices were done by a limited number of existing frontliners under strict adherence to SOPs.</p> <p>In addition, the Board has identified Tan Sri Mokhzani bin Mahathir (email mmokhza@maxis.com.my) as the Senior Independent Director to who queries or concerns about the Group may be conveyed. Please refer to Practice 1.2 on the role of the Senior Independent Director.</p> <p>Contact details for queries and/or concerns regarding the Group are:</p> <ul style="list-style-type: none"> i. Wayne Treeby Chief Financial Officer & Chief Strategy Officer, for financial related matters Email: wayne@maxis.com.my ii. Paul Zaman Head of Investor Relations, for investor relations matters Email: ir@maxis.com.my iii. Shafik Azlee Mashar Head of Internal Assurance Email: mshafik@maxis.com.my iv. Dipa Kaur Company Secretary, for shareholders' enquiries Email: sdipak@maxis.com.my <p>Further details of relevant stakeholder engagement platforms, key areas of concerns and interest and how the Company is responding are available on pages 74 of the Integrated Annual Report 2020.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognized framework.

Application	Applied
Explanation on application of the practice	<p>Maxis has embarked on an integrated reporting journey in order to provide a more comprehensive and transparent reporting of our objectives, strategies and performance over time.</p> <p>We aim to communicate our value creation story to our various stakeholders, and in doing so, have adopted aspects of the guiding principles and content elements of the International Integrated Reporting (IR) Framework (January 2021) of the International Integrated Reporting Council (IIRC). This year, we enhanced our Value Creation Model to provide our stakeholders with a clear understanding on how Maxis delivers value for our key stakeholders. Also, we reassessed and updated our material matters and mapped our risk and opportunities to our identified top 9 material matters. We disclosed Maxis' management of the impacts arising from the COVID-19 crisis, and Maxis' demonstration of its focus on the wellbeing of our employees, managing the health of our business, and delivering great customer experience. We have further enhanced our ESG reporting with the mapping of the United Nations Sustainable Development Goals (UN SDGs) to the Material Matters underpinned by our Convergence strategy (MAX plan).</p> <p>The process to fully integrate our report and adopt integrated thinking will necessarily take time. Maxis intends to continue to enhance our reporting and achieve a fully integrated report in line with the IR Framework.</p> <p>Maxis is projecting a three-year journey, FY2019 to FY2021, to enhance our reporting towards a fully integrated report.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice of an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	Departure 2020
Explanation on application of the practice	<p>The Notice of Maxis' 11th AGM with the detailed Agenda and Circular to Shareholders was announced to Bursa Securities, published on Maxis' website and issued 24 days before AGM. This was in advance of the 21 days requirement under Section 316 (2) (a) of the Companies Act 2016 and Rule 88.1 of the Company's Constitution. Maxis' Integrated Annual Report was issued on 7 April 2020, and with an announcement to Bursa Securities on the same day advising "Following the Malaysian Government's announcement of the Movement Control Order (MCO) effective 18 March 2020 to 14 April 2020, we are monitoring the situation closely to determine the appropriate time to schedule our Eleventh AGM. That will be announced together with the detailed resolutions within the notice period for the convening of the AGM".</p> <p>During the year 2020, the convening of the AGM was challenging as there were Conditional Movement Control Orders in place, and the Board was committed to adhering to the applicable legal requirements to ensure that shareholders were provided with an opportunity to participate at the AGM and to ask questions. A detailed communication that included the AGM Notice dated 21 May 2020, Remote Participation and Electronic Voting (RPEV) Administrative Details and Guidelines and Proxy form was sent via to all shareholders who were registered on the record of depositors as procured by the Bursa Central Depository in accordance with the applicable Guidelines. A total of 226 shareholders, proxies and corporate representatives were logged in for the fully virtual 11th AGM held on 15 June 2020 using the remote participation and electronic voting platform.</p> <p>Shareholders are encouraged to attend the AGM. The notice of AGM and clear notes allow shareholders to participate at the AGM or via their validly appointed proxies or corporate representatives as applicable. This notice period within the applicable legal requirements also allows shareholders to consider the resolutions for informed decision making and the exercise of</p>

	<p>their rights at the AGM.</p> <p>The Notice of the AGM contains detailed description and notes for each of the Agenda items, e.g., re-election of Directors, re-appointment of auditors, extension of directors' independence, director's remuneration, issuance of shares under Section 75 and 76 of the Companies Act 2016 and recurrent related party transactions for shareholders' background and for informed decision making. There are opportunities to seek clarification and ask questions before the AGM via ir@maxis.com.my or at the AGM itself.</p> <p>Printed copies are made available to shareholders who request for Annual Reports and Circular to Shareholders. The Notice of the AGM is advertised in one (1) widely circulated newspaper in Malaysia in the English language.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	<p>Detailed notes on the step for registration for remote participation and electronic voting and for the virtual AGM in 2020 were sent in an Administrative Note to the shareholders together with the Letter to Shareholders advising the publication of the Integrated Annual Report on the Maxis website https://maxis.listedcompany.com/ar.html. Key Highlights brochure of the Annual Report 2019, the AGM Notice and Proxy Form.</p>	
Timeframe	Within 1 year	Applied in 2021 AGM

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	Applied
Explanation on application of the practice	<p>All Maxis Directors are committed to attend Maxis' General Meetings, save for unforeseeable circumstances that are beyond their control. In 2020 all directors attended the AGM that was held on a fully virtual basis. The directors are committed to and remain actively engaged with shareholders during the AGM. 4 out of 9 Directors of Maxis attended the last Annual General Meeting (Eleventh AGM) held on 15 June 2020 at the broadcast venue and the remaining 5 Directors who were based out of Malaysia, attended the AGM using remote platform. The attendance of Directors was also recorded in the Minutes of the AGM available on the Maxis website www.maxis.listedcompany.com/corporate governance.html</p> <p>Each of the Chairmen of the Board, Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda ("RA"), who is also the Chairman of the NC and the GRAC, Chairman of the ARC, Tan Sri Mokhzani bin Mahathir ("MM") and the Chairman of the RC, Dato' Hamidah Naziadin ("HN") attended the AGM. In addition, the key essential persons that included members of Management, the Company Secretary and the external auditors, PwC were in attendance at the venue in accordance with the SOP issued by the Majlis Keselamatan Negara and Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers released by Securities Commission Malaysia ("SC") on 18 April 2020, and revisions up to the date of the AGM.</p> <p>The AGM of Maxis Berhad is always well attended by shareholders, proxies and corporate representatives who are encouraged to attend the Meeting proceedings, engage with the Board and Management and to raise questions or seek clarifications. Gokhan Ogut, the CEO of the Company presented the Company's financial and operational performance for 2020 that was also accompanied by a video. The Chairman explained the detailed voting and procedures for the meeting. The Chairman also shared the Company's responses to the questions submitted (in advance) by the Minority Shareholder Watchdog Group (MSWG). The summary of the AGM</p>

	<p>proceedings together with the CEO's presentation and responses to MSWG's Questions, and Questions from shareholders with the answers were also put up on the Maxis website as part of the Key Matters Discussed in accordance with Para 9.21 of the Listing Requirements.</p> <p>In the commitment and spirit of continuous engagement between the Directors and shareholders, shareholders were invited to submit any additional questions they might have to the Maxis Investors relations dedicated email address ir@maxis.com.my. The Chairman, CEO and members of the Management also responded to questions from shareholders, proxies and corporate representatives regarding Maxis' business and operations, and other queries/clarifications in connection with the AGM and the Annual Report. The Chairman encouraged the shareholders, proxies and corporate representatives to ask as many questions/clarifications as they wished, and steered the conduct of the meeting to remain relevant to the financial statements, business and operations of Maxis, and the Resolutions in the Notice.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate-

- Including voting in absentia; and
- Remote shareholders' participation at General Meetings

Application	Applied
Explanation on application of the practice	<p>Maxis held its virtual AGM using remote participation and electronic voting platform at the Eleventh AGM held on 15 June 2020. Maxis is supportive of any technology that allows shareholders' participation at General Meetings, including the Annual General Meetings ("AGMs"). Maxis has considered various factors, requirements, processes and communications to the shareholders for implementation of voting in absentia and remote participation by shareholders. 226 shareholders, proxies and corporate representatives attended the virtual AGM held on 15 June 2020. A detailed communication that included the AGM Notice, Remote Participation and Electronic Voting (RPEV) Administrative Details and Guidelines and Proxy form was sent via to all shareholders who were registered on the record of depositors as procured by the Bursa Central Depository in accordance with the applicable Guidelines. The details together with the AGM Notice, Annual Report, Circular to Shareholders and RPEV Administrative Notice were also made available on the Maxis website. The RPEV Administrative Notice sets out administrative matters for the AGM such as steps for registration for remote participation and electronic voting, electronic lodgment of proxy form, website links and contact details for questions/ clarifications, in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers released by SC on 18 April 2020, and revisions up to the date of the AGM.</p> <p>Maxis values engagement with shareholders, who are encouraged to attend Maxis' AGMs virtually or in accordance with applicable SOPs so that they may have an opportunity to participate in the AGM with the Directors and Management. The shareholders were encouraged to submit questions and queries are welcome at any time via the email ir@maxis.com.my. Management will endeavour to respond within a reasonable time. Shareholders who are unable to attend the meetings are allowed to appoint</p>

	<p>any person or the Chairman of the meeting as his/her proxies to attend, participate, speak and vote in his/her stead at a general meeting. The Notice of AGM specifies the rights of shareholders to appoint proxies to exercise all of the shareholders' rights to attend, participate, speak and vote at the AGM.</p> <p>Maxis has adopted poll voting via e-voting for the last four AGMs of Maxis held on 26 April 2017, 19 April 2018, 25 April 2019 and 15 June 2020 (fully virtual) respectively. Maxis had extended the e-voting process through e-Vote mobile application. At physical meetings:</p> <ul style="list-style-type: none"> i) free wifi was provided to the shareholders and proxyholders to encourage them to download the e-Vote application onto their own mobile device. For security purposes, each shareholders/proxies was given a personalised wristband with QR code during registration. Shareholders/proxies must open the e-Vote application on their own mobile device and scan the QR Code as an added security measure for access and casting of votes. ii) The Share Registrars, Boardroom Share Registrar Sdn Bhd were in attendance to explain the procedures, and to provide support to shareholders and proxies <p>For the fully virtual AGM held on 15 June 2020 the Share Registrar, Boardroom Share Registrars Sdn Bhd were the appointed Poll Administrator and Boardroom Corporate Services Sdn Bhd was appointed as Independent Scrutineers in accordance with the requirements of Para 8.29A of the MMLR Maxis used remote participation and electronic voting system in the fully virtual AGM held on 15 June 2020. The outcome of the results of the poll were announced by the Chairman at the end of the AGM with the projection of the results of the poll on the screen for all shareholders' view. An announcement to Bursa Securities on the outcome of the AGM was made immediately after the AGM.</p>	
Explanation for Departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

SECTION B – DISCLOSURE ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosure in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Not applicable to Maxis Berhad
