

Always Be Ahead



We Are Maxis

In 2021, our nation continued to endure the challenges brought about by the COVID-19 pandemic. This period of disruption was a watershed moment in the histories of both Malaysia and Maxis. As the nation's leading converged solutions provider, our story will always be deeply intertwined with our country and its people. This continues to give us purpose and underpins our commitment to making sure that Malaysia will Always Be Ahead, especially in a fast-changing world.

Our transformation journey from a mobile telecommunications company to a key enabler of the digital economy continues to race ahead. Despite the disruptions caused by COVID-19, we are still going from strength to strength, but with a clearer understanding of our role in nation-building. The pandemic has underscored the importance of being able to serve our customers through as many channels as possible, as well as understanding their needs in an increasingly digital world.

In a country filled with a multitude of networks, the Maxis network is committed to connecting all of them, so that our people, communities and country are 'all-ways' connected—with unmatched mobile, fixed and satellite connectivity. We are convinced that when all Malaysians are brought together, we will Always Be Ahead. This is the conviction that gave birth to *Rangkaian Kita, Rangkaian Malaysia*, Maxis' ode to the nation and the diverse networks that make us whole.

Beyond infrastructure, Maxis is constantly adding to our stable of digital solutions that bring value to all our customers. As we keep investing in our own digital capability, we are bolstering our range of mobile and broadband connectivity solutions, including IoT networking, smart city solutions and smart homes. Strategic acquisitions in the enterprise segment have augmented our capability to offer managed network services and managed cloud services, as well as infrastructure consulting.

As Maxis works towards becoming a more sustainable company, we are cognisant of our impact on the communities that we operate in and are working to better serve and contribute to them. The broad thrusts of our sustainability efforts revolve around our passion for education and bridging the information divide between urban and rural areas. Our various outreach programmes extend deep into the lives of the people we serve. In addition, we are mindful of reducing our carbon footprint to help with the preservation of our environment.

Undoubtedly, our people are our most valuable asset and as the Company transforms into a leading converged solutions provider, we are investing in our staff to broaden Maxis' overall talent inventory. Our culture and values are constantly adapting to keep pace with our transformation and the entire Company is embracing an innovative and digital-first mindset. With these pillars in place, Maxis is well placed to create new and innovative products for all our customers.

Company Vision



Malaysia's leading converged solutions provider.

What We Offer



An unmatched personalised experience: connectivity services and solutions that put people ahead of technology. An experience that is always easy to use, discover and tailored to people's needs.

Who We Serve



The people and businesses of Malaysia: to realise their potential and do amazing things, by harnessing technology to stay ahead.

RANGKAIAN KITA RANGKAIAN MALAYSIA



Maxis is well placed to create new and innovative solutions for all our customers.



This Integrated Annual Report can also be downloaded as a PDF file or viewed as an interactive version at <https://maxis.listedcompany.com/ar21/>

About This Report

Welcome to Maxis Berhad's (Maxis) Integrated Annual Report (IAR) 2021. This report outlines our efforts in creating value for our business and our stakeholders through the efficient management of our Six Capitals and deployment of key resources during the year. Our end goal is to create sustainable and impactful outcomes that aid our value creation journey.

This IAR was prepared with reference to the International Integrated Reporting Council's (IIRC) Framework (January 2021) and communicates the information that our key stakeholders require to make an informed assessment of our performance and future prospects. We strive for full transparency and accountability in all our communications with our stakeholders.



REPORTING SCOPE AND BOUNDARY

The report covers the financial period from 1 January 2021 to 31 December 2021 for Maxis Berhad. It includes information pertaining to both our financial and non-financial performance and the internal and external factors that influenced it. The report covers all business operations of Maxis, including our subsidiaries, as well as our sustainability initiatives, which are embedded throughout the report. The reporting scope remains largely the same as our IAR 2020 for the financial period from 1 January 2020 to 31 December 2020.

To learn more about our sustainability initiatives, click on the link here (<https://maxis.listedcompany.com/ar21/>) and download the consolidated 'Sustainability at Maxis' section.

MATERIALITY

Bearing in mind our vision of becoming Malaysia's Leading Converged Solutions Company, we have developed a strategic plan which takes into account the material matters that affect our business, as well as the risks and opportunities we have identified.

Our report provides information on matters that could significantly affect our ability to create value over the short, medium and long term, as well as our outlook, and how we are addressing these matters through our various strategies.

ASSURANCE AND APPROVAL

The Board acknowledges its responsibility for the integrity of Maxis' IAR through good governance practices and internal reporting procedures. The Board has oversight of and approved the IAR on 10 March 2022. This report is dated 24 February 2022, except the sections where the information is specified as at 31 December 2021.

Our financial statements were prepared and assured in accordance with the MFRS, IFRS and Companies Act 2016. Please refer to pages 139 to 249 for the audited financial statements and our independent auditor's report. We have not sought external assurance for our non-financial information. However, we are enhancing our internal processes and policies to consolidate and monitor Environmental, Social and Governance (ESG) data that is reported within the Company in line with our ambition to obtain external assurance on non-financial information.

FORWARD-LOOKING STATEMENTS

This IAR contains forward-looking statements that involve known and unknown risks, uncertainties and other factors which may cause future performance, outcomes and results to differ materially from those expressed or implied in such forward-looking statements. Such forward-looking statements are based on numerous assumptions and reflect Maxis' current views with respect to future events and are not a guarantee of future performance. Readers should not place undue reliance upon such forward-looking statements as they are not an implicit or explicit guarantee of our future performance.

OUR REPORTING SUITE

The following publications comprise our Integrated Reporting Suite, and the reporting frameworks and disclosure requirements they adhere to.

Integrated Annual Report 2021

- IIRC Integrated Reporting Framework (January 2021)
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)
- Bursa Malaysia Sustainability Reporting Guide (2nd edition)
- United Nations Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance 2021
- Companies Act 2016
- Global Reporting Initiative (GRI) Standards: Core Option

Financial Statements

- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Companies Act 2016

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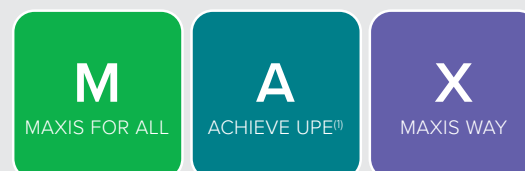
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NAVIGATION

This report employs the use of icons to link our strategy and material matters to our activities and outcomes.

OUR MAX STRATEGY

Be the Leading Converged Solutions
Company in Malaysia



Note:

⁽¹⁾ UPE – Unmatched Personalised Experience

THE SIX CAPITALS

Financial Capital

Our financial capital enables value creation with the other five capitals through the availability and management of our funds

Manufactured Capital

Our physical assets, such as our network infrastructure and data centres, are an important source of our competitive advantage

Intellectual Capital

Our innovation and technology have always been Maxis' core focus in enhancing our brand value

Human Capital

Our people are our most critical asset. We invest in our people's passion, hence creating our MaxisWay culture

Social & Relationship Capital

Our strong and lasting relationships with our key stakeholders is created through mutual trust, partnerships and value-added products and services

Natural Capital

We make conscious efforts to minimise the environmental impact of our value chain

FEEDBACK

We welcome your feedback on our report, which is available to all stakeholders on our website, www.maxis.com.my

For further information and feedback, please contact:

Paul Anthony Zaman

Head of Investor Relations

Tel : + 603 2330 7000

Fax : + 603 2726 8946

Email : ir@maxis.com.my

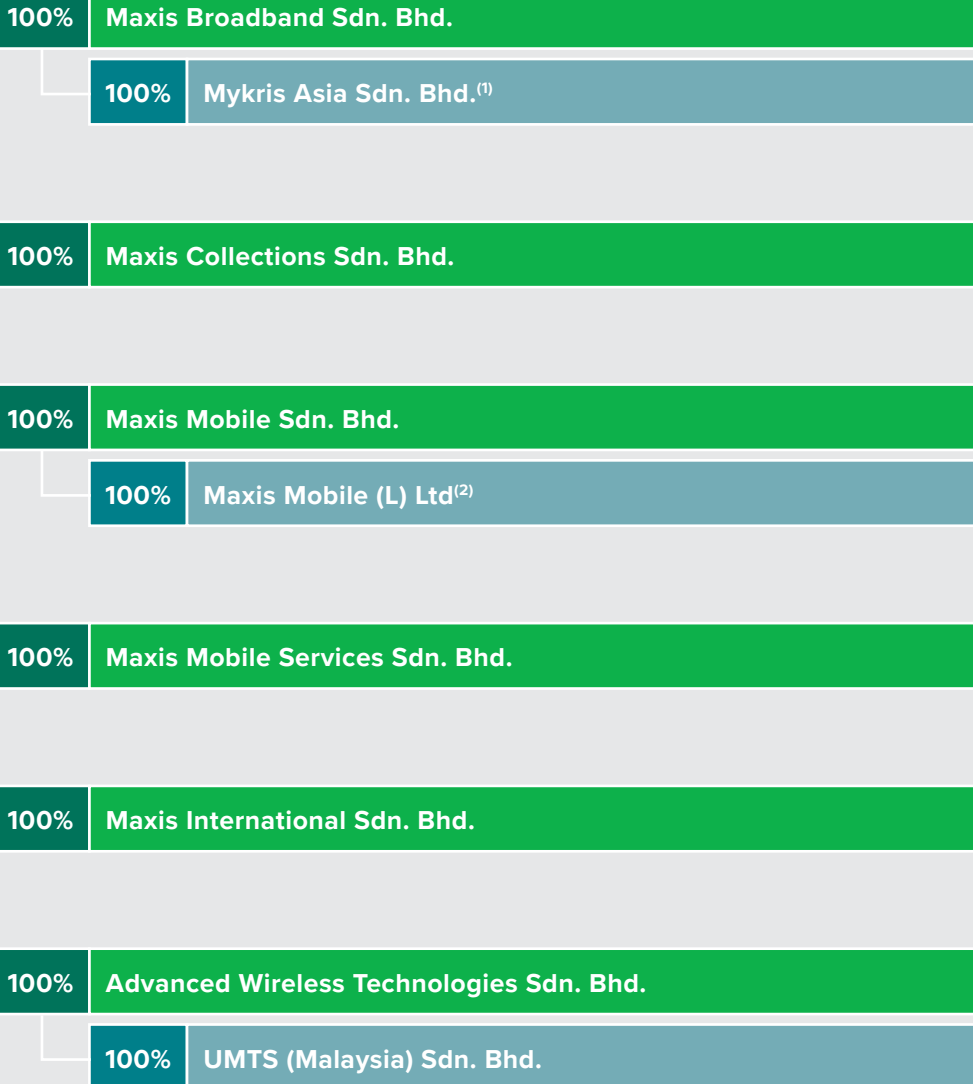


Group Corporate Structure

as at 24 February 2022



Maxis Berhad Group of Companies*



Notes:

* This structure reflects Maxis Berhad's subsidiaries only. Please refer to page 201 of this report on the other interests held by the Group.

⁽¹⁾ As of 24 February 2022, the change of name of Mykris Asia Sdn. Bhd. to Enterprise Managed Services Sdn. Bhd. is underway.

⁽²⁾ Incorporated in Malaysia (registered under the Labuan Companies Act 1990).



Board of Directors


TAN SRI MOKHZANI BIN MAHATHIR

Chairman/
Non-Executive Director

RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA

Non-Executive Director

ROBERT ALAN NASON

Non-Executive Director

DATO' HAMIDAH NAZIADIN

Independent Non-Executive Director

ALVIN MICHAEL HEW THAI KHEAM

Independent Non-Executive Director

MAZEN AHMED M. ALJUBEIR

Independent Non-Executive Director

MOHAMMED ABDULLAH K. ALHARBI

Non-Executive Director

ABDULAZIZ ABDULLAH M. ALGHAMDI

Non-Executive Director

LIM GHEE KEONG

Non-Executive Director

Senior Independent Director
Alvin Michael Hew Thai Kheam

E-mail : alvin@maxis.com.my

Auditors
PricewaterhouseCoopers PLT

(LLP0014401-LCA & AF 1146)

Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur Malaysia
Tel : + 603 2173 1188
Fax : + 603 2173 1288

Registered Office
Maxis Berhad

[Registration No. 200901024473
(867573-A)]

Level 21, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur
Malaysia
Tel : + 603 2330 7000
Fax : + 603 2726 8946
Website : www.maxis.com.my

Share Registrar
Boardroom Share Registrars Sdn. Bhd.

[Registration No. 199601006647
(378993-D)]

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : + 603 7890 4700
Fax : + 603 7890 4670
Email : BSR.Helpdesk@
boardroomlimited.com
Website : www.boardroomlimited.com

Stock Exchange Listing
Main Market of Bursa Malaysia Securities Berhad

Listed since 19 November 2009
Stock Code : 6012

Company Secretary
Dipak Kaur

SSM PC No. 201908002620
LS 5204

Head of Internal Assurance
Shafik Azlee bin Mashar
Investor Relations
Paul Anthony Zaman

Tel : + 603 2330 7000
Fax : + 603 2726 8946
E-mail : ir@maxis.com.my

Customer Service

Tel : 1800 821 123
E-mail : customercare@maxis.com.my

Investor Relations and Corporate Governance website link

<https://maxis.listedcompany.com/home.html>

https://maxis.listedcompany.com/corporate_governance.html

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Directors' Profiles

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TAN SRI MOKHZANI BIN MAHATHIR

Chairman/ Non-Executive Director

61 | Male | Malaysian

Date of Appointment as Director of Maxis: **16 October 2009**

Date of Appointment as Chairman of the Board: **22 April 2021**

Tenure as Director: **12 years**

Number of Board Meetings attended during the year



Board Committees:

- Government and Regulatory Affairs Committee (Chairman)
- Share Issuance Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)

Qualifications

He is a qualified petroleum engineer. He pursued his tertiary education at the University of Tulsa, Oklahoma in the USA, where he graduated with a Bachelor of Science in Petroleum Engineering.

Working Experience/Occupation

Mokhzani has a BSc in Petroleum Engineering from the University of Tulsa, Oklahoma, USA. He began his working career in 1987 as a Wellsite Operations Engineer with Sarawak Shell Berhad and resigned in 1989 to pursue business opportunities in Kuala Lumpur.

Through 1990-2000, he was involved in the takeover and restructuring of Tongkah Holdings Berhad and Pantai Holdings Berhad (both listed on the Kuala Lumpur Stock Exchange) and their associated companies. These entities were involved in manufacturing in the electronics sector, stockbroking, healthcare and property development. These companies were sold after the 1998 Asian Financial Crisis as part of his persona divestment and restructuring exercise.

In 2001, he started Kencana Capital Sdn. Bhd., a family office, from which he invested in HL Engineering, a small Oil & Gas engineering company based in Lumut, Perak. The boom in this industry saw HL Engineering prosper and become Kencana Petroleum Berhad, one of Malaysia's leading Oil & Gas services company with an international footprint. Kencana Petroleum later merged with SapuraCrest Berhad to form SapuraKencana Petroleum Berhad.

He was also Executive Chairman of Opcorn Berhad, Malaysia's leading fibre optic cables manufacturing company, from 2008 until 2019. With the Sime Darby Automotive Group, he holds the franchise for Porsche Automobiles in Malaysia.

Mokhzani's non-business activities includes management and promotion of motorsports activities. Having held the position of Director and Chairman of Sepang International Circuit Sdn. Bhd. until 2016, he is very much involved in Malaysia's motorsports scene, be it from grassroot activities right up to Formula One and MotoGP. He is currently President of Motorsports Association of Malaysia, the FIA and FIM sanctioned regulatory body for all motorsports activities in Malaysia. He is still a keen sports car driver and enjoys competitive circuit driving.

Besides motorsports, Mokhzani is a regular cyclist and promotes healthy lifestyle activities via involvement in cycling club events.

Directorship in other public or listed companies

Yayasan Tun Dr Siti Hasmah



RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA

Non-Executive Director

75 | Male | Malaysian

Date of Appointment as Director of Maxis: **16 October 2009**

Tenure as Director: **12 years**

Number of Board Meetings attended during the year



Board Committees:

- Nomination Committee (Member)
- Government and Regulatory Affairs Committee (Member)

Qualifications

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its council for 24 years, including three years as its President.

Working Experience/Occupation

Raja Arshad is currently the Chairman of Binariang GSM Sdn. Bhd., Ekuiti Nasional Berhad, Icon Offshore Berhad, Yayasan Amir and Yayasan Raja Muda Selangor and a Director of Yayasan DayaDiri. He is also the Chancellor of University Selangor and a member of Council of Royal Court, Selangor.

He was formerly a Director of Khazanah Nasional Berhad. He was also formerly Executive Chairman of PricewaterhouseCoopers (PwC) Malaysia, Chairman of the Leadership Team of PwC Asia 7, Chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board.

His previous public appointments include being a member of the Securities Commission, the Malaysian Communications and Multimedia Commission, the Investment Panel of the Employees Provident Fund and the Board of Trustees of the National Art Gallery.

Directorship in other public or listed companies

Ekuiti Nasional Berhad, Icon Offshore Berhad, Yayasan Raja Muda Selangor, Yayasan DayaDiri and Yayasan Amir





ROBERT ALAN NASON

Non-Executive Director

67 | Male | Australian

Date of Appointment as Director of Maxis: **7 March 2016**

Tenure as Director: **5 years**

Number of Board Meetings attended during the year



Board Committees:

- Business & IT Transformation Committee (Chairman)
- Audit & Risk Committee (Member)
- Government and Regulatory Affairs Committee (Member)

Qualifications

He holds a Bachelor of Business (Honours) from the Royal Melbourne Institute of Technology. He is a fellow of CPA Australia and a member of the Australian Institute of Company Directors.

Working Experience/Occupation

Robert is currently a Non-Executive Director of Maxis since 1 May 2019. He is also the Chairman of the Business & IT Transformation Committee and a member of the Audit and Risk Committee, and the Government and Regulatory Affairs Committee since 1 May 2019. Prior to the current position of Non-Executive Director, Robert was the Interim Chief Executive Officer of Maxis from 1 April 2018 to 30 April 2019. Prior to that, he was a Non-Executive Director from 2 to 31 March 2018. Robert was an Independent Director from 7 March 2016 to 1 March 2018 and Chairman of the Audit and Business & IT Transformation Committees from 20 April 2016 to 1 March 2018.

He retired from Telstra Corporation in September 2015 after five-and-a-half years leading a major transformation of its operations. His role at Telstra involved regular, active participation in the company's Business Unit Performance Review Committee, Strategy Committee, M&A Committee, Capital Investment Management Committee, Growth Committee, Customer Advocacy Committee and Risk Committee. He was the Chairman and Director of Foxtel Pty. Ltd. from 2012 until February 2017. He was a Director of various companies/Boards in Australia and elsewhere from 2003 to 2017. Robert is presently an independent consultant and sits on the Advisory Board of AT Kearney.

His international experience includes living and working in the US and UK together with extensive experience in transformation projects for many companies in Asia, Europe, and North and South America.

Directorship in other public or listed companies

Nil

DATO' HAMIDAH NAZIADIN

Independent Non-Executive Director

58 | Female | Malaysian

Date of Appointment as Director of Maxis: **01 February 2014**

Tenure as Director: **8 years**

Number of Board Meetings attended during the year



Board Committees:

- Remuneration Committee (Chairman)
- Audit and Risk Committee (Member)
- Nomination Committee (Member)

Qualifications

She holds a Bachelor of Laws from the University of Wolverhampton and a Certificate in Personnel Management, Malaysian Institute of Personnel Management.

Working Experience/Occupation

Dato' Hamidah Naziadin has more than 31 years of extensive strategic human resources (HR) and leadership experience in the financial services sectors across Malaysia and ASEAN.

Dato' Hamidah was formerly the Group Chief People Officer of the CIMB Group a position she held up to October 2020.

During her tenure with CIMB Group, she led people strategies to attract, develop and retain talent, cultivated an agile workforce to prepare for the future of work, and enhanced the end-to-end employee experience via technology innovation. Her key achievements included strategising the resource integration in successful mergers and acquisitions over the years, within Malaysia and across ASEAN and APAC regions, and implementing strategic HR programmes that had earned peer and industry recognition through numerous awards.

She was also the CEO of CIMB Foundation from May 2016 to October 2020 and member of the Board of Commissioner, PT Bank CIMB Niaga, Indonesia from 2010 to September 2014.

Dato' Hamidah is currently an Independent Non-Executive Director of Maxis Berhad, Nestle (Malaysia) Berhad, Sime Darby Property Berhad and Mr D.I.Y Group (M) Berhad. She also sits on the Board of Majlis Sukan Negara Malaysia and is a member of Razak School of Government's Leadership Development Committee. Dato' Hamidah is active in mentoring and coaching young talent and women at various formal and informal settings.

Directorship in other public or listed companies

- Nestle (Malaysia) Berhad, Sime Darby Property Berhad and Mr D.I.Y Group (M) Berhad



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Directors' Profiles

We Are Maxis

ALVIN MICHAEL HEW THAI KHEAM

Senior Independent Non-Executive Director

58 | Male | Malaysian

Date of Appointment as Director of Maxis: **30 August 2012**

Tenure as Director: **9 years**

Number of Board Meetings attended during the year



Board Committees:

- Audit and Risk Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)
- Business & IT Transformation Committee (Member)

Qualifications

He holds undergraduate degrees from Queen's University, Canada and an MBA from INSEAD France. He is certified with the Canadian Securities Institute and has attended executive programmes at IMD, INSEAD, Stanford, USC and UCSF.

Working Experience/Occupation

He is currently the Group Managing Director of Southgate Ventures, a private equity owned education platform company with international schools in Indonesia, Myanmar, Korea and India.

His 31 years of corporate experience covers private equity at The Abraaj Group; financial advisory and private equity at H2O Capital; commercial banking at TD Bank; investment banking at Lancaster Financial; business development and marketing at P&G in Switzerland, Vietnam, Southeast Asia and Australia; and top management and regional board experience at L'Oreal where he was President of its companies in Malaysia and Taiwan. He served on the boards of the European Chamber of Commerce in Taipei from 2006-2009 and Taipei American School from 2011-2014.

In 2004, he was conferred the title of Chevalier de l'Ordre Nationale du Merite by French President, Jacques Chirac, in recognition of his business achievements.

Directorship in other public or listed companies

Petronas Dagangan Berhad

MAZEN AHMED M. ALJUBEIR

Independent Non-Executive Director

45 | Male | Saudi Arabian

Date of Appointment as Director of Maxis: **8 September 2016**

Tenure as Director: **5 years**

Number of Board Meetings attended during the year



Board Committees:

- Nomination Committee (Chairman)
- Audit and Risk Committee (Member)
- Remuneration Committee (Member)

Qualifications

Mazen earned his MBA with highest distinction from Harvard Business School, where he was designated a George F. Baker Scholar. He earned his A.B. with honours in Economics from Harvard College, where he received the John Harvard and Harvard College Scholarships for academic distinction.

Working Experience/Occupation

He is a private investor based in Riyadh, focused on investing in and actively supporting the development of SMEs and growth companies in Saudi Arabia and the United States. His portfolio of companies span a range of industries including technology, retail, education and wholesale distribution. Alongside his investment activities, Mazen serves as an independent member on the boards of prominent government organisations, public corporations, private companies and social enterprises.

Previously, Mazen was an Executive Vice President of Amwal AlKhaleej, a Middle Eastern private equity firm, and earlier in his career, was a consultant with McKinsey & Company, based in its Washington, D.C. office, where he advised several Fortune 500 companies on operations, strategy and organisation, often in the context of major transformations and turnarounds.

Directorship in other public or listed companies

Maxis Communications Berhad





MOHAMMED ABDULLAH K. ALHARBI

Non-Executive Director

51 | Male | Saudi Arabian

Date of Appointment as Director of Maxis: **29 May 2015**

Tenure as Director: **6 years**

Number of Board Meetings attended during the year



Board Committee:

- Audit and Risk Committee (Member)

Qualifications

He holds a M.S. Certificate in Engineering Management from the University of Missouri, USA. He also holds a B.S. in Systems Engineering - Industrial Engineering and Operations Research from the King Fahd University of Petroleum and Minerals, Saudi Arabia.

He has attended multiple executive and professional courses at leading business schools of the world including Harvard, Euromoney, Columbia Business School, INSEAD, Wharton and Kellogg School of Management.

Working Experience/Occupation

He is currently the Head of Mergers & Acquisitions (M&A) at Saudi Telecom Company (STC) responsible for leading overall M&A activities with a focus on international expansion and strengthening STC local position in the digital age through in-market consolidation. He has always been involved in STC key strategic decision-making on M&A opportunities.

He represented STC on the Boards of PT Axis Indonesia, Public Telecommunications Company Ltd. (BRAVO), Saudi Arabia, Aircel Limited, India, Cell C (Pty) Ltd. and 3C Telecommunication (Pty) Ltd., South Africa.

He has led the process of identifying synergies and developing synergy realisation programs, implementing greenfield operations and major acquisitions of STC, which include the acquisition of 25% shares in Binariang GSM Sdn. Bhd., Malaysia, acquisition of 35% stake in Oger Telecom Limited, successful bidding of Kuwait and Bahrain greenfield mobile licenses, increasing STC's stake in VIVA Kuwait, divestment of PT Axis Telekom Indonesia, increasing STC stake in Intigral, an end-to-end solutions provider focused on delivering digital media content services to regional telecommunications operators in the Gulf, STC divestment from Careem (the ride hailing company) and sale of STC pay stake to western union.

He has always been an integral part of STC investment related activities. Prior to joining STC in 2003, he worked in senior positions at Al Salam Aircraft Company and Advance Electronics Company.

Directorship in other public or listed companies

Maxis Communications Berhad

ABDULAZIZ ABDULLAH M. ALGHAMDI

Non-Executive Director

39 | Male | Saudi Arabian

Date of Appointment as Director of Maxis: **4 September 2018**

Tenure as Director: **3 years**

Number of Board Meetings attended during the year



Board Committee:

- Business & IT Transformation Committee (Member)
- Share Issuance Committee (Member)

Qualifications

Abdulaziz received his Master's degree (M.Sc.) in Human Resources Management from the University of Westminster, London, United Kingdom in 2012. This degree was preceded by a B.Sc. degree in Computer Information Systems from King Saud University, Saudi Arabia, in 2006.

Working Experience/Occupation

Abdulaziz is the General Manager of Investment Operations in Saudi Telecom Company (STC) Group since 2018. He is an executive with 15 years of progressive experience in the telecom industry. Throughout his career in STC Group, one of the largest telecom company in Middle East, Abdulaziz has shown consistent success in maximising corporate performance, driving growth, ensuring adherence to good governance practices, and enhancing value especially for the portfolio of companies and VC Funds in both local and international markets where STC group is a significant player.

Abdulaziz has rich experience in Strategic Business interventions and transformation programs in addition to building high-impact PMO teams for start-ups and green field projects. He is a board member in a number of companies including STC Kuwait and STC Bahrain. Further, he has attended a number of courses with global executive education institutes such as Harvard and INSEAD.

Directorship in other public or listed companies

Maxis Communications Berhad



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Directors' Profiles

We Are Maxis

LIM GHEE KEONG

Non-Executive Director

54 | Male | Malaysian

Date of Appointment as Director of Maxis: 8 May 2014

Tenure as Director: 7 years

Number of Board Meetings attended during the year



Board Committees:

- Remuneration Committee (Member)
- Business & IT Transformation Committee (Member)
- Government and Regulatory Affairs Committee (Member)
- Share Issuance Committee (Member)

Qualifications

He holds a Bachelor of Business Administration degree, majoring in Finance, from the University of Hawaii at Manoa, USA.

Working Experience/Occupation

He has more than 30 years of experience in finance, treasury and credit management. Prior to joining the Usaha Tegas Sdn. Bhd. (UTSB) Group in 1995, he was attached to General Electric Capital Corporation in the USA and Ban Hin Lee Bank in Malaysia.

He is a Director and Chief Operating Officer of UTSB and serves on the boards of several other companies in which UTSB Group has interests, such as Astro Malaysia Holdings Berhad (listed on Bursa Malaysia Securities Berhad). He is also a Director of Paxys Inc. (listed on the Philippines Stock Exchange).

Directorship in other public or listed companies

Astro Malaysia Holdings Berhad

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interests with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2021.
5. Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir (retiring Directors) are standing for re-election as Directors at the forthcoming Thirteenth Annual General Meeting of the Company. The Nomination Committee and Board of Directors have considered the assessment of the three retiring Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR. Additional details about the independent evaluation of the three retiring Directors are set out in the Corporate Governance Overview and Notice of the Thirteenth Annual General Meeting.





GOKHAN OGUT

Chief Executive Officer

52 | Male | Turkish

Date of Appointment: **1 May 2019**

Gokhan joined Maxis in September 2018 as the Chief Operating Officer (COO). He first focused on strengthening the core operations of the business to deliver innovative products and services in an ever-increasing competitive core mobile market. In May 2019, Gokhan moved into the CEO position, driving Maxis' new ambition to be Malaysia's leading converged solutions provider.

Prior to Maxis, Gokhan ran his own consultancy firm based in Istanbul, Turkey; offering management and marketing consultancy services in Europe and the Middle East. Before that, he was with Vodafone Turkey from 2009 to 2016, where he held senior roles – his first position as Chief Marketing Officer, rising to become the Chief Consumer Business Officer in 2011 and eventually the Chief Executive Officer of the company between 2013 and 2016.

Before Vodafone, Gokhan was in senior marketing as well as general management roles with a number of large and well-known companies like Danone and Procter & Gamble, holding positions that had domestic and global responsibilities in Turkey, US and France.

Gokhan has an Industrial Engineering degree from the Bogazici University of Turkey, as well as an MBA from the University of Illinois at Chicago.

Gokhan was also the acting Chief Marketing Officer (CMO) during the first half of 2021 and as of 16 August 2021, Loh Keh Jiat was appointed as CMO.



WAYNE N TREEBY

Chief Financial Officer & Chief Strategy Officer

66 | Male | Australian

Date of Appointment: **1 May 2018**

Wayne's career covers over 30 years of increasingly senior roles in telecommunications, technology, media, professional services and investment banking. He has vast experience in transforming complex businesses to improve their competitive position and to focus them on delivering outstanding customer service. His 20-year career at Telstra included global scale strategic, commercial and leading roles particularly in Telstra's Initial Public Offering and secondary market offering valued at over A\$30 billion. Wayne has also played key roles in driving major transformation programmes at Telstra.

Before joining Maxis, Wayne held a number of senior finance roles including Chief Operating Officer and Chief Financial Officer of KPMG Australia, where he led the transformation of KPMG's business model in the country. He was also a key member of KPMG's Global & ASPAC Committees and its Global IT Steering Committee.

Wayne is a graduate of Harvard Business School's Advanced Management Programme. He holds an MBA from the University of Melbourne as well as a Master's degree in Practising Accounting from Monash University and Bachelor of Architecture (Hons) degree from Deakin University. He is a Fellow of Certified Public Accountant (CPA) Australia, a Fellow of the Financial Services Institute of Australia, a Certified Management Accountant (CMA) Australia and a Member of the Australian Institute of Company Directors.



MARIAM BEVI BINTI BATCHA

Chief Corporate Affairs Officer

58 | Female | Malaysian

Date of Appointment: **1 May 2019**

Mariam is responsible for Corporate Affairs for the organisation, providing strategic communications counsel to the Management Team and overseeing implementation of all internal and external communications strategies, policies and procedures, including media management, employee volunteerism and sustainable corporate responsibility activities. She also delivers a coordinated effort in managing stakeholder relations across the Regulatory and Government Engagement functions of the organisation.

She has over 30 years of experience and prior to joining Maxis in September 2010, she served as Vice President, Group Corporate Communications in Telekom Malaysia Berhad. Prior to that, she served as Head of Group Corporate Communications and Investor Relations in Amanah Capital Partners Berhad, and later as the General Manager of Group Corporate Communications in United Engineers (Malaysia) Berhad/UEM World Berhad.

Mariam holds a Bachelor of Business in Business Administration degree with Distinction from RMIT University in Melbourne, Australia and a Diploma in Public Relations from the Institute of Public Relations Malaysia (IPRM).

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Maxis Management Team

We Are Maxis



PAUL MCMANUS

Chief Enterprise Business Officer



NATALIA NAVIN

Chief Human Resource Officer



ROB SEWELL

Chief Technology Strategy Officer

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56 | Male | Australian

Date of Appointment: **1 August 2018**

Paul is responsible for the Enterprise and Wholesale Business (Maxis Business), servicing Maxis corporate, government, small and medium enterprise (SME), wholesale customers.

He joined Maxis in August 2018 as the Head of Enterprise and comes with over 30 years of experience building multinational business units across Australia and Asia Pacific, within the telecommunications, IT outsourcing, and enterprise software sectors. Prior to joining Maxis, Paul was the Managing Director, of the Journey to Cloud Business with Accenture Australia and New Zealand, building the Accenture cloud migration, management and advisory services business in ANZ.

Prior to Accenture, Paul spent 8 years at Telstra as a member of the Telstra Senior Management team, during this time, he oversaw several key businesses ranging in size from AU\$1-4 billion. He was tasked with re-igniting growth and transforming their underlying performance. In 2010, he founded and successfully launched Telstra's new Enterprise ICT and cloud services business, serving corporate and government clients initially in Australia and then later across Asia, overseeing exponential growth over 3 years and the business grow to become a AU\$1.3 billion division with Telstra and become the second largest ICT service company in Australia. Earlier experiences include executive and country leadership roles within global multinational companies such as EDS, PeopleSoft, Sun Microsystems, Siemens and Philips.

Paul holds a Higher National Diploma in Electrical & Electronic Engineering from the University of West Scotland.

42 | Female | Malaysian

Date of Appointment: **2 September 2019**

Natalia is responsible for leading the people agenda in Maxis.

She joined Maxis in September 2019 as the Chief Human Resource Officer. Natalia has enabled multiple transformational programmes within the organisation and the People & Organisation division, whilst playing a key role in navigating the pandemic by leading key people-related initiatives across the company. Under her guidance, Maxis has also completed several merger and acquisition onboarding and integration projects, enabling the rapid expansion of the business' capabilities in key focus segments.

Prior to joining Maxis, Natalia worked with Zaid Ibrahim & Co (ZICO Law), the United Nations, CIMB, Hewlett Packard (HP) and Micro Focus, a UK-based technology company. In her previous capacities, she has played integral leadership roles within HR, such as Country HR Leader, Regional HR Leader and Global HR Business Partner where she led several large-scale HR transformational programmes relating to global merger & divestiture deals. She has also led successful labour relations negotiations across Asia Pacific and developed HR programmes including talent and employee relations programmes.

Natalia graduated from Staffordshire University in the UK with a Bachelor of Law (LLB) and was admitted as an advocate and solicitor in 2004.

50 | Male | Australian

Date of Appointment: **1 December 2020**

Rob leads the Technology Strategy Division which drives key strategic initiatives for Maxis, champions Innovation and guides Maxis' technology evolution to sustain and extend our leadership in unmatched customer experience and technology.

Rob joined Maxis in August 2018 as the Head of Corporate Strategy and was appointed to the Chief Technology Strategy Officer role in December 2020. His 28 years in the telecommunications industry spans leadership of strategy, delivery and operations across the full suite of IT and network technologies in both challenger and market leading operators.

Before Maxis, Rob held the position of Chief Information Officer (CIO) and Head of Network Planning in an Indian telecommunications company, driving major improvements in productivity. Prior to that, Rob was with Telstra Australia for 18 years, where he served as Director of Voice & Convergence and subsequently, Director of Architecture. His time in Telstra started in Research & Development before transitioning into delivery and then transformational engineering roles.

Rob holds a Bachelor of Engineering (Hons) and a Bachelor of Science, from the University of Western Australia.



NG MAY CHING

Chief Information Officer

50 | Female | Malaysian

Date of Appointment: **1 December 2020**

May Ching is responsible for business IT digitalisation strategy, delivery and operations and transformation programmes for the functions of Business IT Delivery, Business IT Infrastructure, Digital Development, Digital Transformation, Data and AI, Cybersecurity Management and Business & IT Transformation in Maxis.

Since joining Maxis in 2013, she has made significant contributions in business IT delivery where she was responsible for driving product and channels development, delivery across company-wide information systems support, business support systems transformation, establishing the Center of Excellences for Digital, Big Data, Advanced Analytics and starting the Robotics Process Automation and Cloud practices in Maxis. She drives the transformation and digitalisation of customer experience through cloud at Maxis.

Prior to joining Maxis, May Ching was the Managing Director in Accenture Malaysia for Client Service Delivery within ASEAN Technology Growth Platform & Communications Media and Technology for the Philippines and Malaysia. May Ching spent 19 years in Accenture and has extensive experience in technology delivery, IT transformation, business and IT solutions delivery and consulting for communications providers, and other cross-industry clients in the region for Accenture.

May Ching graduated from Monash University in Melbourne, Australia, with First Class Honors bachelor's degree in Electrical and Computer Systems Engineering.



ABDUL KARIM FAKIR BIN ALI

Chief Network Officer

51 | Male | Malaysian

Date of Appointment: **1 December 2020**

Karim is responsible for the development, implementation, and operation of Maxis quality network leadership with pivotal focus on delivering unmatched customer experience in Mobile, Fixed, International and Enterprise network services.

Karim rejoined Maxis in January 2014 as the Head of Network all the way from Bangkok, where he held Senior Vice President Network Services position in DTAC Thailand with primary role to support business while developing the local engineers' capabilities. He has over 25 years of vast experience in both Network and IT system for Mobile and Fixed communication covering the scopes of strategy framework, fundamental planning, organisation transformation, project management, quality system and operations.

He was among the pioneers of Binariang team (later known as Maxis) who planned and built the 2G network in 1994 before taking up DiGi's role in 2002 as Senior Radio Frequency Manager, promoted to the Head of Network Planning and Head of Network Engineering in 2005 and 2008 accordingly. His last position with DiGi prior to the Bangkok assignment in 2010 was Deputy Chief Technical Officer with additional role as Programme Director in Celcom - DiGi sites infrastructure consolidation and fibre collaboration projects.

Karim graduated from University Malaya, Kuala Lumpur with First Class Honors bachelor's degree in Electrical Engineering in 1994. He was the recipient of Rulers Education Award 1994 and Tunku Abdul Rahman Medal 1995.



PATRICK ER

Chief Sales & Service Officer

47 | Male | Malaysian

Date of Appointment: **1 June 2021**

Patrick is responsible for the management of sales and distribution, customer experience and service, supply chain, and credit and collection functions. He oversees the development of strategies related to product distribution expansion, segmented sales, digitalisation of sales and services, and delivery of unmatched personalised experiences (UPE).

Patrick joined Maxis in June 2016 as Head of Commercial Management and Customer Experience and was subsequently appointed as Head of Regional Sales Management - West Malaysia in March 2019. On 1 June 2021, he was appointed as Chief of Sales & Service.

Prior to joining Maxis, he held senior roles in Hong Leong Bank. He was responsible for the micro and small SME segment profitability, sales, marketing, and product development. He was also responsible for the bank's 300-branch network distribution strategy, design and format, technology and IT innovation, and productivity. Before Hong Leong Bank, he was previously with Digi where he was responsible for consumer sales and customer service across all retail and branded channel stores.

Patrick holds a Bachelor of Science in Mechanical Engineering from Michigan Technology University and a Master's in Business Administration from University of Newcastle.



Maxis Management Team



LOH KEH JIAT

Chief Marketing Officer



TAN LAY HAN

Former Chief Sales & Service Officer

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51 | Male | Malaysian

Date of Appointment: **16 August 2021**

Loh leads the Consumer Business division and strives towards achieving Maxis' ambition to be the leading converged solutions company in Malaysia.

He joined Maxis as the Chief Marketing Officer (CMO) in August 2021. Prior to Maxis, Loh worked with Digi Telecommunications Sdn. Bhd. (Digi), where he held various senior positions within the Sales and Marketing Division for 12 years. Before Digi, Loh was with PT Mobile-8 Tbk Indonesia and PricewaterhouseCoopers Malaysia.

Loh has over 20 years of experience in the telecommunications industry with a proven track record in building prepaid and postpaid businesses for the consumer segment. He has also led major transformation programmes in digitalising customer journeys and modernisation of sales and distribution in recent years.

Loh received his undergraduate degree from Monash University and is a Chartered Accountant in Malaysia.

60 | Male | Malaysian

Date of Appointment: **10 June 2013 – 31 May 2021**

Lay Han led a team focusing on Channel, Customer Service and Supply Chain Management.

Lay Han joined Maxis in October 1999 as Head of Sales and Distribution and was subsequently appointed as Head of Channel Distribution and Customer Service in February 2004, and later as Head of Consumer Marketing in September 2006. In September 2009, he was appointed Head of Planning and in mid-2010, he took charge of the Business Transformation portfolio. On 10 June 2013, he was appointed as Head of Sales & Service.

Prior to joining Maxis, he was General Manager at Tanjong Golden Village Sdn. Bhd. (now known as TGV Cinemas Sdn. Bhd.). He was also involved in various business development projects for Tanjong Plc., including the establishment of the TGV business. He was previously with BP Malaysia Sdn. Bhd., where he held various marketing and operations positions during his 9 years there.

Lay Han holds a Bachelor of Engineering from the Royal Melbourne Institute of Technology and a Master's in Business Administration from Cranfield School of Management.

Lay Han was the Chief Sales and Services Officer until 31 May 2021. His portfolio was then handed over to Patrick Er.

Other information in respect of Maxis Management Team (MMT):

1. The MMTs comprise the persons defined as 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.
2. None of the MMT have any directorship in public companies and listed issuers.
3. None of the MMT have any family relationships with any directors and/or major shareholders of the Company.
4. None of the MMT have any conflict of interest with the Company.
5. None of the MMT have any convictions for offences within the past five years (other than traffic offences, if any).
6. None of the MMT have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2021.

Profiles of Direct Reports to the Board and/or Audit and Risk Committee Pursuant to Applicable Laws



DIPAK KAUR (DIPA)

Company Secretary

52 | Female | Malaysian

Date of Appointment: **7 August 2009**

Dipa has over 28 years of experience in corporate secretarial and governance matters in various public listed and private companies, and is qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016.

As Company Secretary of the Maxis Berhad Group, Dipa provides active governance support to the Chairman, Directors, the Board, Board Committees and Management.

She holds a Bachelor of Laws (LL.B) from the University of Leicester, United Kingdom, a Masters in Law (LL.M) from University Malaya, Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants, Graduateship of the Institute of Chartered Secretaries and Administrators (now known as the Chartered Governance Institute), Certificate of Legal Practice and is a non-practising Advocate and Solicitor of the High Court of Malaya. Dipa is a Graduate of the Australian Institute of Corporate Directors and a Fellow and Chartered Governance Professional of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). Dipa holds the office as an elected Council Member of MAICSA and additionally the following positions at MAICSA. She is a Chairman of Young Company Secretaries Working Group and the Corporate Governance Guide for Private Companies Task Force respectively. She is also a Deputy Chairman of both the Technical Compliance and Governance Committee and Training and Professional Development Committee as well as a member of the Thought Leadership Committee.



SHAFIK AZLEE BIN MASHAR

Head of Internal Assurance

46 | Male | Malaysian

Date of Appointment: **15 April 2014**

Shafik joined Maxis in April 2014 as the Head of Internal Audit, now known as Internal Assurance, responsible for leading the independent Internal Audit function that reports functionally to the Audit Committee and administratively to the CEO.

Shafik brings over more than 20 years of work experience in various industries spanning telecommunication, IT outsourcing and fast moving consumer goods, in various roles covering telecommunications operations, project management and internal auditing.

Prior to joining Maxis, he was the Head of Internal Audit at Robi Axiata Limited, a subsidiary of Axiata Group in Bangladesh. Prior to that, he was with various multi-national and local companies at varying regional and global leadership roles, responsible for operations and audit throughout his career.

Shafik holds a Bachelor of Engineering degree in Information Systems Engineering 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.



NURIRDZUANA BINTI ISMAIL

Head of Integrity and Governance Unit

43 | Female | Malaysian

Date of Appointment: **24 August 2020**

Nuri has over 19 years of professional working experiences in designing and implementing anti-corruption programmes, international strategy and communication, corruption risk management, governance, and compliance training advisory. She has led the design and implementation of ISO37001:2016 Anti-Bribery Management System in various Government agencies and organisations.

She currently supports the Board of Directors, Audit and Risk Committee and Management by providing oversight on the design, implementation, compliance, and enforcement of the Maxis Integrity & Compliance Framework (MICF), Maxis Anti-Bribery Corruption System (MABC) and AML/CFT structure. She also works closely with all stakeholders to ensure that Maxis upholds the highest standards of integrity and transparency in its business practices.

Prior to joining Maxis, Nuri has served the Malaysian Anti-Corruption Commission (MACC) as Assistant Commissioner and has been the Head of Integrity Risk Management for Group Integrity, PETRONAS.

Nuri holds a Bachelor of Science (BSc.) degree in Biomedical Technology from University Malaya and is a Certified Integrity Officer (CeIO) from Malaysia Anti-Corruption Academy (MACA), Certified Trainer from HRDF, Certified Learning Facilitator for Anti-Corruption and Compliance from Basel Institute of Governance, Switzerland, Certified Lead Auditor and Technical Expert for ISO37001:2016 Anti-Bribery Management System (ABMS). She is also an Exco member for Transparency International, Malaysia.



This is my inaugural Chairman's Statement to shareholders since my appointment in 2021, and I am pleased to report that the Maxis Group has made good progress in delivering on the strategy and outlook set out to shareholders.

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The world continued to experience a challenging environment a year after COVID-19 hit global markets in 2020. The extension of the Movement Control Order (MCO) and its ensuing lockdowns placed more strains on citizens and businesses alike, while our economy continued to endure the deflationary pressures of contracting demand. There was, however, a marked difference in 2021 as Malaysia displayed signs of tenacity and an acceleration in digitalisation. It is clear that there has been a seismic shift that has changed the way we live, work and connect with each other.

Consumers and businesses have adapted to the new normal through varying degrees of digital adoption. Businesses that began their digital transformation journeys in 2020 are reaping the benefits of digital channels, tools and technologies. Throughout this entire period, the role that connectivity infrastructure plays in powering the digital revolution has never been more critical.

At Maxis, we have been committed to investing in our national communications infrastructure, to bring the best in 4G, 5G and fibre technologies to our customers. Working together with the Malaysian Communications and Multimedia Commission (MCMC), we have supported the Jalanan Digital Negara (JENDELA) initiative to provide wider coverage and higher-quality of broadband experience for the *Rakyat*. We have also committed to supporting MyDIGITAL, the national initiative launched by the government to transform Malaysia into a digitally-driven, high-income nation.

Our converged solutions and digital-first strategies have held us in good stead as we reported stable earnings and strong market traction for our products and services. I want to recognise the Board's wisdom, agility and decisiveness in responding to the volatile environment, while striking a balance between mitigating risks and



maximising opportunities. In addition to safeguarding the short-, medium- and long-term health of the organisation, the Board and I are committed to ensuring strong corporate governance to align the interests of all stakeholders for greater sustainability and financial viability.

YEAR IN REVIEW

During the first half of the year, businesses, especially micro, small and medium enterprises (MSMEs), had to overcome the ripple effects of the pandemic. The second half of the year saw significant reductions in the number of daily cases as the *Rakyat* began to adapt to the new norms and government SOPs. The national vaccination programme also began to bear results in the reduction of serious cases. Most of the country entered Phase 4 of the National Recovery Plan by Q4 of 2021, which saw the resumption of most economic and social activities.



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“Maxis continued to accelerate efforts to be more sustainable in its business practices when engaging all stakeholders, connecting the unconnected, and in working towards carbon neutrality in network and operations.”

Despite the difficult external environment that persisted throughout the year, Maxis maintained a strong financial position thanks to sound financial stewardship. We continuously strive to maximise sustainable shareholder value and based on our performance, the Board has declared a total dividend of 17 sen per share with a total payout of RM1.33 billion.

Maxis’ long-term strategy, or MAX Plan, has placed us on the right trajectory for growth and industry leadership. The focus of the strategy is to strengthen our core value propositions across all customer segments, from

consumers to businesses. The value creation plan has always been centred on our purpose of bringing together the best technologies to enable individuals, businesses and the nation to stay ahead in a changing world.

The sustainability movement gained more traction in the last year, especially in the lead-up to the United Nations Climate Change Conference summit (COP26), and Maxis continued to accelerate efforts to be more sustainable in its business practices when engaging with all stakeholders, connecting the unconnected, and in working towards carbon neutrality in network and operations.



CORPORATE RESPONSIBILITY

As Malaysia's leading converged solutions company, we are extremely cognisant of the responsibilities that come with corporate citizenship and remain committed to our 1% profit before tax (PBT) pledge for corporate social responsibility. We redoubled our efforts to ensure that communities facing hardship were supported through our corporate responsibility outreach programmes.

During the year, Maxis supported communities impacted by floods and the pandemic with food aid, while initiatives during the festive seasons also focused on pandemic-related support, with aid distributed in particular to B40 families. We also responded to calls for financial aid and sponsorship in support of the national vaccination programme, working with various NGOs.

With education at the core of our corporate responsibility efforts, our flagship community programme, eKelas, continues to grow with more than 50,000 students,

including those from over 600 schools who are now connecting with the programme through the eKelas portal. In 2021, we launched the first eKelas mobile app, giving students, teachers and parents greater flexibility and convenience when accessing content on-the-go and beyond the eKelas portal. The app offers more than 3,000 curated bite-sized units of content across English, Mathematics and Science.

In 2021, we launched eKelas Usahawan, a programme to empower women entrepreneurs to build a stronger digital presence so they can grow their business and expand income opportunities. To date, we have already helped train more than 1,000 women entrepreneurs.

Meanwhile, we have committed to providing greater access to devices, by contributing devices to schools under the #MyBaikHati programme. We have also, together with the telecommunications industry, provided free data and connectivity packages under several government initiatives.



FUTURE OUTLOOK



The global economic outlook is expected to be soft in the short and medium term, as a result of the uncertainty arising from the ongoing pandemic. This will undoubtedly have some effect on the Malaysian economy, although the domestic outlook remains cautiously optimistic seeing that economic activity has resumed and our national vaccination rate is high. The telecommunications sector has a natural resiliency given the essential nature of connectivity in this modern digital age. The silver lining is that this pandemic continues to accelerate digital adoption in our country, especially among Malaysian businesses that now see this as key to their business growth and sustainability.

The journey towards becoming a digital-first company is heavily dependent on our ability to attract the best talent. One of the tenets of the MAX Plan is the talent equation. As Malaysia's leading converged solutions provider, we are in a position to raise the bar in being an exemplary employer. Our people are already aligned with and committed to our strategy and understand the importance of being agile and innovative as we strive to stay ahead in an increasingly dynamic telco landscape. Our human capital plan is robust in its focus on accelerating the mindsets and capabilities of our workforce – present and future. We are committed to attracting and nurturing many talented individuals who will continue to champion 'the MaxisWay', so that they can play their part in contributing to the nation's digital agenda.

As Maxis goes forward, the Board, Management Team and employees are resolute in value creation. Our customers expect more and more from our network and we will strive to provide best-in-class technologies and digital services.

Aside from the financial goals of the Company, Maxis is also committed to building a more sustainable company that aspires to the best practices of Environmental, Social and Governance (ESG) in all that we do. We are inspired by the global ESG movement's strong call to action, which highlights climate change as an existential threat to the entire planet, and we have a responsibility to take bolder steps to reduce our carbon footprint in our operations. In addition to environmental sustainability, we are looking at social and governance sustainability to build business resiliency and secure the long-term viability of our Company. Maxis is working towards developing a comprehensive ESG strategy that will amplify our existing sustainability initiatives and drive us forward as a key nation-building partner to contribute more to our communities, planet and people. Our stakeholders expect nothing less and we will strive to deliver.

We remain in compliance with Bursa Malaysia's Listing Requirements, committed to the Malaysian Code on Corporate Governance 2021 and continuously strengthen our existing policies and procedures on bribery and corruption with the Maxis Anti-Bribery and Corruption system, based on the Guidelines on Adequate Procedures issued by the Prime Minister's Department. The Board annually endorses an Integrity Pledge which sets out our stance against bribery and corruption. We have a commitment to conducting business professionally, ethically, with the highest standards of integrity and in compliance with all anti-bribery and corruption laws, and applicable governance requirements.

[+ Read more on pages 102 to 117.](#)

ACKNOWLEDGEMENTS

I would first like to acknowledge the frontliners across the nation who have been tirelessly battling this pandemic for almost two years now. Their unwavering efforts and sacrifices have resulted in the continuing success of the National Recovery Plan and given hope to the *Rakyat* that Malaysia will emerge stronger and more resilient. We are eternally grateful to those who serve on the medical front lines, those who maintain law and order and those who keep our essential services and economy running.

Our employees are our most valuable asset, and we see this every day as they engage with our customers, keep the network running and work towards delivering our brand purpose. On behalf of the Board, I would like to thank each and every one of them for their dedication, hard work and 'What's Possible' mindset throughout the year.

Our special appreciation goes out to the Ministry of Communications and Multimedia (KKMM) and the Malaysian Communications and Multimedia Commission (MCMC) for their stewardship of the telecommunications sector. The regulatory framework that they have in place and their continuous stakeholder engagement bode well for the growth and development of the industry.

To our shareholders, thank you for your continued confidence in us as we execute our strategy to take Maxis forward. We are confident that the growth strategy we have put in place will keep us competitive and relevant in an increasingly competitive market, which augurs well for the maximisation of shareholder and stakeholder value.

Maxis' customers continue to support us year in and year out and we are humbled by their loyalty. The team at Maxis works tirelessly with them in mind. We want to thank our business partners who share our ambitions and vision of being the No. 1 technology partner, especially to our enterprise customers.

We have truly benefited from the shared wisdom of my fellow Board colleagues' guidance and contribution.

Last but certainly not least, I would like to thank the Management Team, led by our CEO Gokhan Ogut. They continue to deliver on our strategy in an incredibly challenging business environment. I am confident that they are well primed and ready to lead Maxis towards our vision and to scale even greater heights in our journey to becoming a great company and a partner in nation-building.

TAN SRI MOKHZANI BIN MAHATHIR

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CEO's Statement

“As a proud homegrown Malaysian brand, Maxis has always been committed to the country’s digital ambitions through our leading converged network.”



The overall business operating environment continued to be challenging in 2021. The ongoing effects of the pandemic on the entire world has accelerated an existential challenge for the telecommunications industry. Service providers are facing not only increased demand for data, speed and reliability, but also downward pricing pressure. To optimise operations and prepare for the advent of 5G, providers must continue to increase capital expenditure and seek out innovative new services.

At Maxis, we see this as a pivotal moment and tipping point in the digital journey of the nation. Malaysia has done well in terms of digital adoption, thanks to strong infrastructure, innovative companies and a digitally savvy population. But the need for digitalisation has become much more of a necessity, especially among SMEs and corporates with greater demands for online transactions and cost efficiencies in business. This has, in turn, increased the demand for faster internet speeds and better quality of service.

As a proud home-grown Malaysian brand, Maxis has always been committed to the country’s digital ambitions through our leading converged network. As we gear up to deliver on the exciting promise of 5G technology, we are also focused on strengthening our 4G network, both in terms of coverage and experience, in line with the nation’s JENDELA initiative. With our convergence strategy, we remain committed to bringing together the best of technologies to enable individuals, businesses and the nation to Always Be Ahead in a fast-changing world.

In 2021, we remained committed to this brand promise across all fronts — from consumers, enterprises and network to our people, sustainability and services.

Our continuous investments and collaboration over the last two decades have resulted in a strong network of communities and the most extensive converged network in the country. In February 2022, Maxis declared its commitment to empowering all Malaysians and businesses in the country to



2021 Highlights:

Business Resiliency



+ Read more on pages [37](#) to [43](#).

MAX Strategy



+ Read more on pages [57](#) to [59](#).

Financial Performance



+ Read more on pages [26](#) to [35](#).

Our Value Creation Outcomes



+ Read more on pages [63](#) to [98](#).

“Together, we look forward to building and strengthening this *rangkaian*, and achieving immense possibilities together as a nation.”

be connected in every possible way, at all times, with the launch of our brand campaign, *Rangkaian Kita Rangkaian Malaysia (RKR)*. RKR represents the reinforcement and deepening of our Always Be Ahead brand purpose and is driven by our evolution from a mobile telecommunications provider to a connectivity and digital solutions expert that offers solutions for every segment. The spirit of RKR is about celebrating diversity and we will continue to serve people from all walks of life based on each of their unique requirements. Together, we look forward to building and strengthening this *rangkaian*, and achieving immense possibilities together as a nation.





Year in Review (FY2021)

A BUSINESS RESILIENCY

Without a doubt, the operating environment was impacted as a result of the pandemic and the various movement restrictions over the course of the year.

Despite these circumstances, Maxis performed relatively well in 2021; our financial performance remained largely unaffected, especially due to our agility in responding with measures to mitigate COVID-19. We remained committed to protecting the health and safety of our employees, network and systems as well as fully supporting our customers, suppliers and communities.

B MAX STRATEGY

In 2021, we continued to execute our MAX Plan across the three strategic pillars as we strengthened our position as the leading converged solutions company in Malaysia.

Despite the challenging conditions, our consumer mobile business was resilient as a result of the rigorous optimisation of our core customer base. We introduced higher-value offerings, used analytics to improve customer retention and focused on further digitalising our platforms and channels. Our Enterprise business registered growth during the year under review on the back of solid partnerships and innovative digital solutions.

We continued to not only expand coverage, but also invest in enhancing the quality and efficiency of our networks for our customers to enjoy an Unmatched Personalised Experience at all times. We also expanded our range of digital tools to not only help improve the accessibility of our products and services, but also to provide the best experience across all touchpoints.

In 2021, we invested in upgrading mobile network sites and expanding our fibre footprint to strengthen our converged network experience. Our Fibre business also continued to grow, largely due to new product innovation and excellent service from 'Maxperts', our very own internet experts.

Throughout the year, we continued to place strong emphasis on our MaxisWay 2.0 culture. We established a five-year Talent Strategy Roadmap and took steps to ensure a continued diverse and inclusive workplace. We struck partnerships with 13 higher education institutions and six talent partners and utilised a data-driven talent

acquisition approach to enhance right-fit hiring and improve efficiency. The agility of our MAX Plan in enabling strong performance despite a challenging operating environment is a reinforcement that our convergence and growth strategy is the right one for Maxis.



Individuals, Homes and Businesses

- Continue to Win in Consumer Mobile
- No. 1 Convergence Player
- Grow Enterprise Exponentially



Differentiated & Digital "Unmatched Personalised Experience" (UPE)

- Expand Customer Touchpoints
- Maintain Network and Technology Leadership
- Leverage Digitalisation to Enhance Capabilities



World Class Effective and Efficient Organisation

- Evolve the Organisation with the Right Culture, Talent & Capability
- XLR8 the Velocity of Change
- Elevate Maxis as a Highly Influential Corporate Citizen

C FINANCIAL PERFORMANCE

Maxis' solid performance during the year under review was the result of our convergence strategy bearing fruit as we doubled down on the MAX Plan, despite the disruptions in the external business environment.

Service revenue grew by 1.9% to RM7,980 million, on the back of a resilient core business and growth in our Fibre broadband business.

Normalised EBITDA was RM3,898 million, registering a normalised EBITDA margin on service revenue of 48.8%. Net profit dipped 5.4% to RM1,308 million, mainly attributed to the continued heavy investments to strengthen the Maxis network, enterprise solutions and fibre coverage, as well as prudent adoption of reduced spectrum life, which resulted in high depreciation and amortisation costs. Importantly, operating free cash flow remained strong, increasing 7.3% to RM3,906 million. Maxis recognises the importance of dividends to its equity shareholders and that a prudent dividend preserves an optimal capital structure that protects our core business during this time of uncertainty.

Maxis Fibre saw healthy growth with increased home fibre connections. Our fibre network, coupled with High-Speed Broadband access agreements, spans over 21,000 km, giving us access to 5.5 million premises, an achievement that is key to our position as the leading converged solutions company and has enabled us to grow our Home subscribers to over half a million.

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Maxis Business capitalised on its strong position as an essential SME technology partner, registering growth as more and more SMEs embraced digitalisation in the wake of the disruptions.

Our Finance and Collections team, meanwhile, continued to focus on prudent cash management and a rigorous credit collections programme powered by data analytics.

D OUR VALUE CREATION OUTCOMES

i. Operations

In 2021, the continued movement restrictions resulted in changing usage traffic patterns as more people worked, studied and accessed entertainment from their homes.

Having learned from 2020, Maxis had become even more agile and was able to react faster and more decisively to rapid changes. Our teams had been conducting surveys and 'virtual visits' to engage with users and get a sense of what was happening on the ground.

The pandemic also accelerated the shift to digital for our sales channels. The Maxis App gained traction in 2021 with 1.07 million users engaging with us for support, transactions and rewards. There was also growth in principal accounts using our Maxis App, up from 58.1% in 2020 to 62.1% in 2021. The Maxis online store traffic also increased this year, with our unique visitors per month increasing by 38% in 2021 as compared to 2020.

Our Enterprise business was marked by Maxis championing the digitalisation of Malaysian SMEs and enterprises to be future-ready. As a Technology Solutions Provider, we continued to assist SMEs in digital adoption under the RM5,000 SME Digitalisation Grant provided by the Malaysia Digital Economy Corporation (MDEC). During the year, we also launched the UsahaWIRA Programme, which showcased success stories of real-life 'UsahaWIRAs' (hero entrepreneurs) to inspire thousands of other entrepreneurs across Malaysia.

With enterprise grade services and cloud solutions powered by the Maxis Programmable Network, we assisted larger enterprises in responding and adapting quickly to the rapidly evolving digital landscape. We also expanded our range of solutions and technical capabilities in cloud and network security through some key acquisitions during the year, namely Peering One Sdn. Bhd. and Mykris Asia Sdn. Bhd.

In the 5G space, we announced partnerships with Malaysia Airports Holdings Berhad and Proton, respectively, for 5G services and solutions as well as the deployment of major 5G use cases. We were also the first Malaysian telco to extend 5G international roaming services to the top three ASEAN markets — Singapore, Thailand and Indonesia.



“As a result of our commitment and focus in JENDELA, we exceeded all 2021 targets in accelerating capacity for both mobile and fixed connectivity.”

Our network operations are leading the way in the industry-wide 3G sunset with our customer-first approach to migrate existing 3G users to 4G. To support our customers, we launched campaigns like our Zerolution device plan, and our 'Balas Budi dengan 4G' campaign to encourage 4G users to help their families and friends to upgrade. Our goal was to ensure that more Malaysians had greater access to affordable devices, especially for productivity and education. As a result of our commitment to and focus on JENDELA, we exceeded all 2021 targets in accelerating capacity for both mobile and fixed connectivity, such as new 4G towers, upgrading of 4G base stations and premises passed for fibre access. To date, we have completed more than 2,500 mobile sites by supporting this initiative and expanded our fibre coverage to 31,000 premises in 2021, exceeding MCMC's 2021 targets. We will continue to work with the regulator, MCMC, and the industry to make connectivity even more accessible for every Malaysian.

We have also transformed the way we run our internal operations towards becoming more digital. Our initiatives included scaling digital capabilities like Robotic Process Automation (RPA), Artificial Intelligence and Data Insights across the organisation, while establishing cadence at the leadership level to drive transparency and align our digital efforts Company-wide. These have allowed us to be more productive and efficient while enhancing value delivery to the customer.



ii. Sustainability Management

Within Maxis, our sustainability governance sits with the Strategy team, with direct oversight from the CEO's office. The Strategy team is responsible for driving our sustainability plan, with reporting guidelines based on the Global Reporting Initiative (GRI) and the FTSE4Good Bursa Malaysia Index.

Environmental Management

Our current priorities are to improve energy efficiency and reduce greenhouse gas (GHG) emissions across our network, as well as efficiently utilise resources in terms of effective office and mobile e-waste management. Our network team drives energy efficiency by using optimisation techniques in our electricity usage, cooling systems and power systems at our Technical Operations Centres (TOCs). At the individual Base Stations (BTS), we are looking into reducing the power consumption of cooling systems, optimising radio management and using hybrid solar power systems to reduce the use of diesel fuel in the generators.

Community

We believe that replenishing social capital is done by giving back to society at large, often by way of deploying resources that companies have access to, and with significant scale. Collectively, we are committed to building and connecting communities in preparation for the digital future.

As our Chairman has mentioned in his statement, our community outreach initiatives are driven by our passion for education. Through Maxis eKelas, our flagship community programme, students continue to have access to fun and vibrant learning content for free, as well as the convenience of our newly launched eKelas mobile app. Through eKelas Usahawan, we are empowering women entrepreneurs to build a stronger digital presence through workshops and webinars so they can grow their business and expand their income opportunities. For schools around the country, we are determined to provide greater access to technology through ongoing contributions of devices.

In the spirit of #KitaSapotKita, Maxis supported the national vaccination programme through in-kind contributions to frontliners at selected vaccination centres (PPVs) and by providing hotline number connectivity services for the Malaysian Red Crescent Society (MRCS), on top of sponsoring their transport and equipment. Throughout the year, Maxis continued to support communities impacted by both the pandemic and floods, with food aid in collaboration with Yayasan Kebajikan Negara and flood relief efforts.

In conjunction with Hari Kebangsaan 2021, we launched the Maxis Awards to empower Malaysian heroes who have been driving change in our communities while inspiring progress for the country. Maxis committed RM5 million over 12 months to encourage the development of impactful ideas for these communities. The first two winners were green-themed enterprises, with forward-thinking solutions for nature conservation and environmental sustainability.



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Human Capital

We pride ourselves on 'the MaxisWay', our culture that makes Maxis the best place to work. One of the most important things that we did as part of that philosophy was to focus on diversity and inclusion as one of the key drivers of human capital. Diversity is a major part of talent acquisition while inclusion will help us retain talent. On talent development, the Maxis 'I Grow' enrichment programmes provide tools like LinkedIn Learning and in-house centres of excellence for mobile-based self-learning. We are also investing in the next generation of talents through financial support, internships and job opportunities. Under the Maxis Scholarship Programme 2021, Maxis awarded 21 outstanding and deserving individuals with scholarships for women, STEM, leadership and innovation.

To give our people the opportunity to give back to society, our volunteer programme, mSquad, supports all internal and external community initiatives. For fitness and well-being, we created the Move It! programme, with in-office and online fitness classes. Ultimately, we are confident that the most sustainable human capital strategy is one in which our employees can grow both professionally and personally while still on their career journey.

Another important component of employee health and well-being is safety. Our business continuity plan (BCP) ensured that while we were minimising any service interruptions to our customers, our employees would be safe regardless of where their work took them.

“In 2022, we will continue to be laser-focused on strengthening our industry leadership and diligently executing our strategic plan, while being guided by our Always Be Ahead brand purpose and commitment to *Rangkaian Kita, Rangkaian Malaysia.*”

FUTURE OUTLOOK

Our long-term convergence and growth strategy is already yielding results. In 2022, we will continue to be laser-focused on strengthening our industry leadership and diligently executing our strategic plan, while being guided by our Always Be Ahead brand purpose and commitment to *Rangkaian Kita, Rangkaian Malaysia*. Doubling down on our ambition to be the leading converged solutions provider is a blue ocean strategy in which we are no longer competing in traditional product markets with our competitors but are shifting the focus from average revenue per user (ARPU) to average revenue per account (ARPA), a paradigm shift that is driven by solutions as well as connectivity.

We will continue to focus on winning in the consumer space by accelerating our core business and offering our customers new value propositions for individuals and homes, device offerings and network differentiation. In the enterprise space, the Maxis Business brand embodies our convergence narrative and the growing stable of digital services and solutions, which will help us gain traction with Malaysian SMEs as we leverage our position as their technology and digitalisation partner.

As a desired partner in nation-building, Maxis has steadfastly supported the JENDELA initiative, and we will continue to do so in an effort that aligns with our long-term strategy to strengthen our own 4G network and fibre access.

We are also a stakeholder in the MyDIGITAL initiative and Malaysia's Shared Prosperity Vision 2030, both of which aspire to transform the nation into a full-fledged digital economy that will benefit everyone.

Last but not least, we recognise the increasing importance of sustainability across the environmental, social and governance aspects of the business. We will continue to strive to be an employer of choice, to give back to society, to support communities and the nation and to conduct our business with honesty and integrity.

We are proud to have built one of the strongest household brand names in Malaysia with a talented and diverse team. These two elements are our most valuable assets, driving our competitive advantage and laying the foundation for future growth. We remain committed to bringing together best-in-class technologies and a differentiated network to ensure that our communities, families and businesses are connected more than ever before.

We are Maxis.

GOKHAN OGUT



Five-Year Financial Highlights

2021-2020

2021 2020 2019 2018 2017 YoY Change

FINANCIAL RESULTS

Financial Indicators (RM'm)	2021	2020	2019	2018	2017	YoY Change
Revenue	9,203	8,966	9,313	9,192	9,419	2.6%
Service revenue ⁽¹⁾	7,980	7,835	7,878	8,158	8,343	1.9%
EBITDA ⁽²⁾⁽³⁾	3,838	3,759	3,891	3,799	4,307	2.1%
Normalised EBITDA ⁽⁴⁾	3,898	3,819	3,926	3,843	4,195	2.1%
Profit before tax (PBT)	1,762	1,852	2,027	2,369	2,878	-4.9%
Profit after tax (PAT), also representing profit attributable to equity holders of the Company	1,308	1,382	1,512	1,780	2,180	-5.4%
Capex	1,187	1,245	1,213	1,038	1,029	-4.7%
Operating free cash flow ⁽³⁾	3,906	3,639	3,511	3,331	3,367	7.3%

Financial Ratios	2021	2020	2019	2018	2017	YoY Change
EBITDA margin (%)	41.7%	41.9%	41.8%	41.3%	45.7%	
Normalised EBITDA margin on service revenue (%)	48.8%	48.7%	49.8%	47.1%	50.3%	
PBT margin (%)	19.1%	20.7%	21.8%	25.8%	30.6%	
PAT margin (%)	14.2%	15.4%	16.2%	19.4%	23.1%	
PAT margin on service revenue (%)	16.4%	17.6%	19.2%	21.8%	26.1%	
Interest cover ratio	4.6	4.6	4.7	7.0	7.3	
Earnings per share (sen)						
- basic	16.7	17.7	19.3	22.8	28.5	
- fully diluted	16.7	17.7	19.3	22.7	28.4	
Dividends per share (sen) ⁽⁵⁾	17.0	17.0	20.0	20.0	20.0	

FINANCIAL POSITIONS

Financial Indicators (RM'm)	2021	2020	2019	2018	2017	YoY Change
Equity attributable to equity holders of the Company ⁽⁷⁾	6,725	6,715	6,666	6,814	6,611	
Total assets ⁽³⁾	22,443	21,932	22,323	19,805	19,134	
Total borrowings ⁽³⁾⁽⁶⁾	10,098	9,780	9,930	7,639	7,642	
Financial Ratios						
Return on invested capital (%) ⁽⁷⁾	10.4%	10.6%	12.4%	14.8%	18.7%	
Return on average equity (%) ⁽⁷⁾	19.5%	20.7%	22.4%	26.5%	39.6%	
Return on average assets (%) ⁽³⁾	7.5%	7.9%	9.1%	10.7%	13.1%	
Gearing ratio ⁽³⁾⁽⁷⁾	1.32	1.35	1.40	1.04	1.07	
Net assets per share attributable to equity holders of the Company (RM) ⁽⁷⁾	0.86	0.86	0.85	0.87	0.85	

Notes:

- ⁽¹⁾ Service revenue is defined as Group revenue excluding sale of devices. Comparative information has been restated to conform with current presentation.
- ⁽²⁾ Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs.
- ⁽³⁾ 2018 and 2017 financial information are based on pre-MFRS 16 "Leases".
- ⁽⁴⁾ Normalising RM60 million (2017: RM28 million) annual charge-out of upfront spectrum assignment fees and the below items for the respective years:
 - (a) 2019 - RM25 million unrealised foreign exchange gains.
 - (b) 2018 - RM16 million unrealised foreign exchange gains.
 - (c) 2017 - RM78 million unrealised foreign exchange gains and RM62 million prior years' service fee reduction.
- ⁽⁵⁾ Dividends declared and proposed in respect of the designated financial years.
- ⁽⁶⁾ Include derivative financial instruments designated for hedging relationship on borrowing.
- ⁽⁷⁾ The comparative results were restated due to the change in deferred tax measurement on indefinite-life intangibles.

Group Quarterly Financial Performance



2021

In RM'm	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2021
Revenue	2,228	2,264	2,263	2,448	9,203
Service revenue	1,959	1,988	2,025	2,008	7,980
EBITDA	949	996	969	924	3,838
Normalised EBITDA	964	1,011	984	939	3,898
PBT	453	484	441	384	1,762
PAT, also representing profit attributable to equity holders of the Company	334	360	325	289	1,308
Earnings per share - basic (sen)	4.3	4.6	4.1	3.7	16.7
Dividends per share (sen) ⁽¹⁾	4.0	4.0	4.0	5.0	17.0

2020

In RM'm	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2020
Revenue	2,341	2,151	2,213	2,261	8,966
Service revenue	1,969	1,928	1,968	1,970	7,835
EBITDA	944	938	953	924	3,759
Normalised EBITDA	959	953	968	939	3,819
PBT	474	457	490	431	1,852
PAT, also representing profit attributable to equity holders of the Company	357	342	364	319	1,382
Earnings per share - basic (sen)	4.6	4.4	4.6	4.1	17.7
Dividends per share (sen) ⁽¹⁾	4.0	4.0	4.0	5.0	17.0

2019

In RM'm	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2019
Revenue	2,232	2,206	2,285	2,590	9,313
Service revenue ⁽²⁾	1,966	1,938	1,960	2,014	7,878
EBITDA	982	978	986	945	3,891
Normalised EBITDA	991	985	1,005	945	3,926
PBT	542	536	480	469	2,027
PAT, also representing profit attributable to equity holders of the Company	407	395	357	353	1,512
Earnings per share - basic (sen)	5.2	5.0	4.6	4.5	19.3
Dividends per share (sen) ⁽¹⁾	5.0	5.0	5.0	5.0	20.0

Notes:

⁽¹⁾ Dividends declared and proposed in respect of the designated financial periods/years.

⁽²⁾ Comparative information has been restated to conform with current presentation.

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Group Statement of Financial Position

We Are Maxis

TOTAL ASSETS

Property, plant and equipment
(RM'm)

5,193

2020: 4,931

Intangible assets
(RM'm)

11,474

2020: 11,461

Right-of-use assets
(RM'm)

1,854

2020: 1,767

Receivables, deposits and
prepayments
(RM'm)

2,722

2020: 3,020

Deposits, cash and bank balances
(RM'm)

1,191

2020: 735

Other assets
(RM'm)

9

2020: 18

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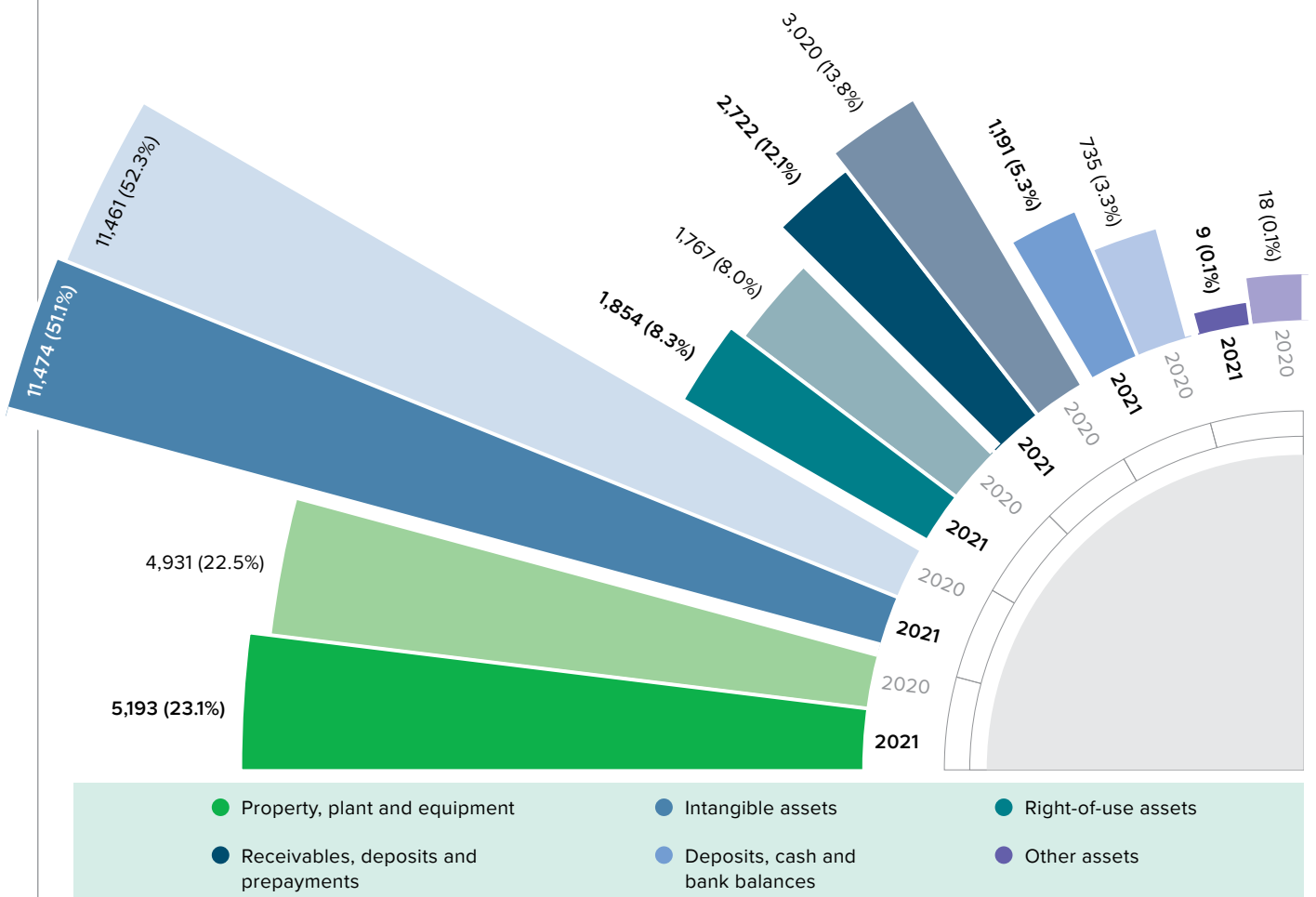
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TOTAL EQUITY AND LIABILITIES

Share capital
(RM'm)

2,564

2020: 2,547

Reserves
(RM'm)

4,161

2020⁽¹⁾: 4,168

Payables and accruals
(RM'm)

4,200

2020: 4,185

Taxation and deferred tax liabilities
(RM'm)

927

2020⁽¹⁾: 774

Borrowings
(RM'm)

10,090

2020: 9,763

Provisions for liabilities and charges
(RM'm)

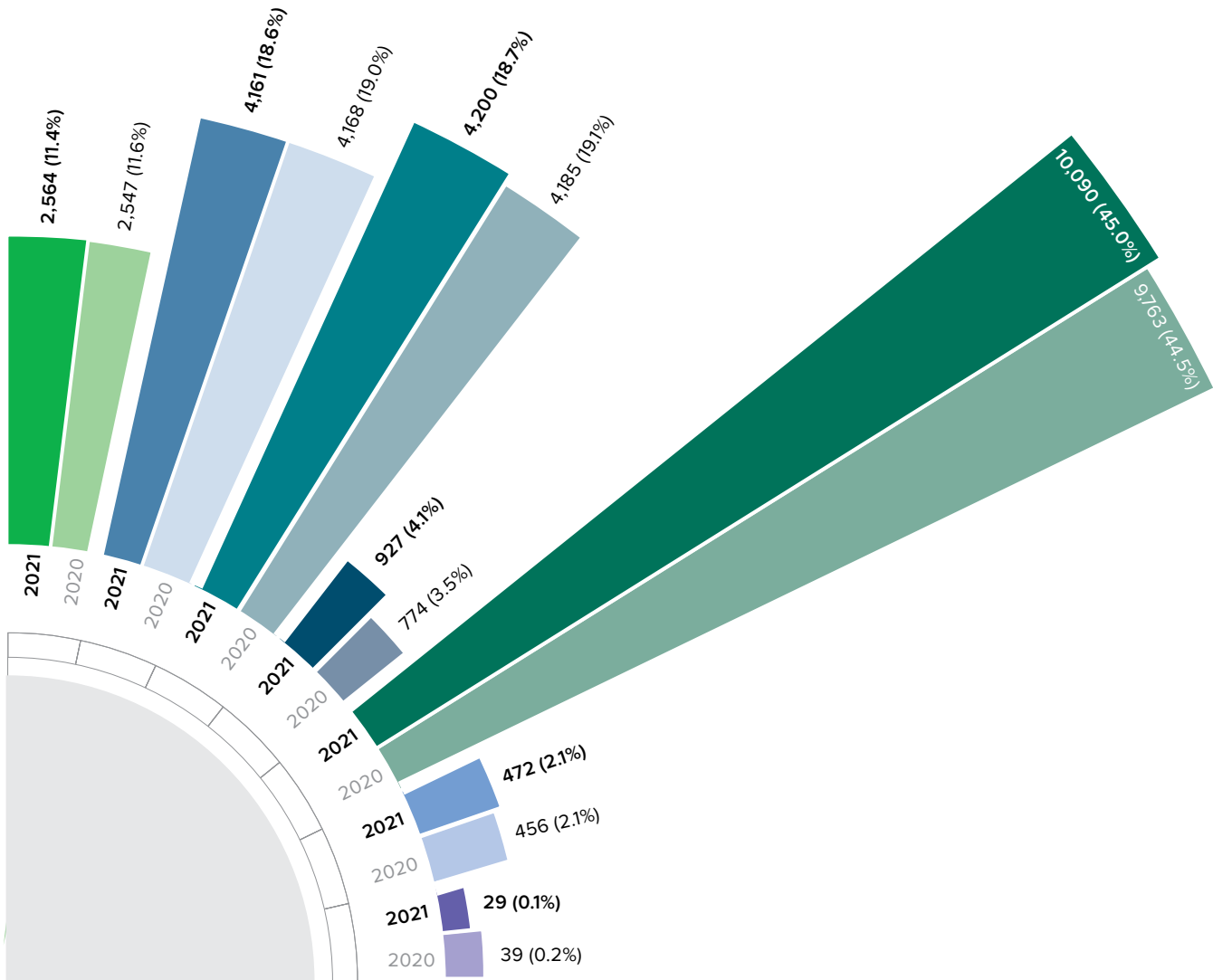
472

2020: 456

Other liabilities
(RM'm)

29

2020: 39



- Share capital
- Reserves
- Payables and accruals
- Taxation and deferred tax liabilities
- Borrowings
- Provisions for liabilities and charges
- Other liabilities

Note:

⁽¹⁾ The comparative results were restated due to the change in deferred tax measurement on indefinite-life intangibles.

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Management Discussion & Analysis

We Are Maxis

We are pleased with our overall performance in 2021 as we demonstrated agility and adaptability to overcome a very challenging operating environment, not just for us but for the government, businesses, communities and the *Rakyat*, as well. The emotional, mental and economic strain that the COVID-19 pandemic and subsequent lockdowns have resulted in are not to be underestimated.

Throughout 2021, the COVID-19 pandemic continued to impact the Malaysian economy. Initial signs that the pandemic was easing back in the fourth quarter of 2020 were quickly dismissed as multiple waves of new infections created a state of volatility in the demand for goods and services. For Maxis, it was incredibly challenging to navigate the extreme uncertainties and complexities of the different iterations of the Movement Control Order (MCO). However, our financial results have clearly displayed that we were able to create value for our stakeholders despite all the challenges faced.

Across the board, the pandemic accelerated the digital lifestyles of consumers and the importance of digitalisation for businesses, especially SMEs. The daily use of information technology grew drastically with the increased use of videoconferencing, learning tools, e-commerce activity and a host of productivity and communication tools. The surge of online purchases made it clearer than ever that we are heading towards a digitally-pervasive world where cloud computing services and high-speed connectivity play a critical part in our daily lives.

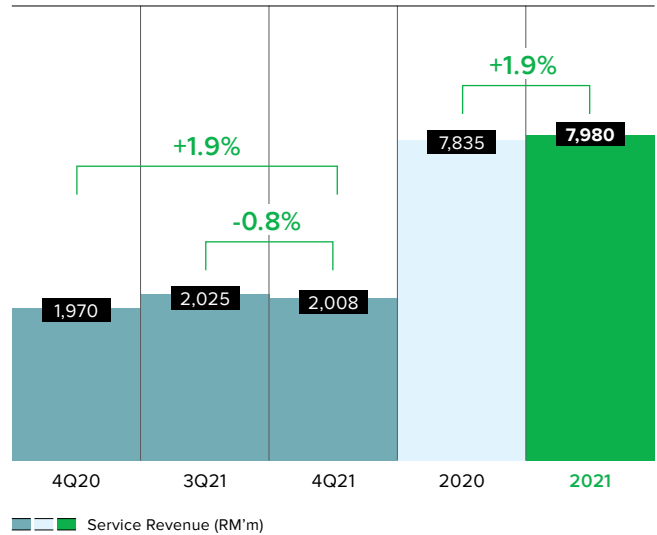
At Maxis, we have taken strides towards being a digital-first company. Millions of our customers use both our Maxis and Hotlink mobile apps on a regular basis, enabling us to offer a level of customer service that takes us directly to their smartphones. All our core products and services are now available on our online store as well as third-party e-commerce sites. For our customers, self-service functions now include online chat assistance that combines AI technology and human interaction to optimise customer engagement, delivering our promise of an unmatched personalised experience.

Our strategy to drive growth in Mobile, Fibre, digital solutions and Enterprise gathered momentum throughout 2021. Where our convergence strategy was once an ambition, our operational and financial performance demonstrates that we are now the leading converged solutions provider in Malaysia. To that end, we remain committed to maintaining our leadership in the network and core Mobile business, growing our Fibre base and continuing to deliver differentiated value propositions to our customers.

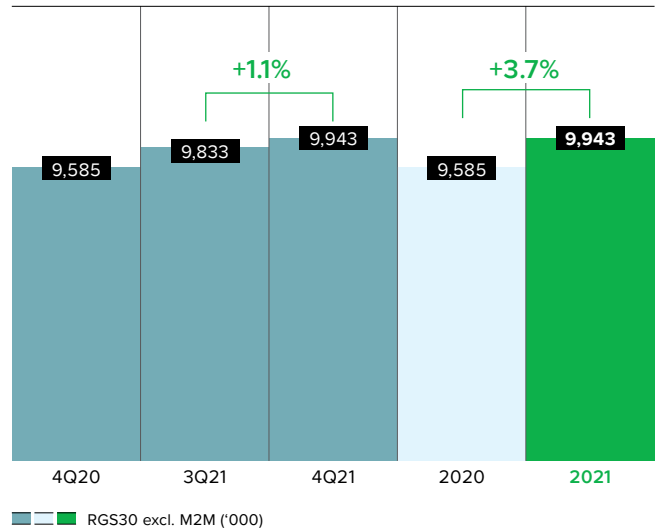
Note: The comparative results were restated to conform with current presentation.

FINANCIAL REVIEW

Service Revenue



Total Mobile Subscriptions

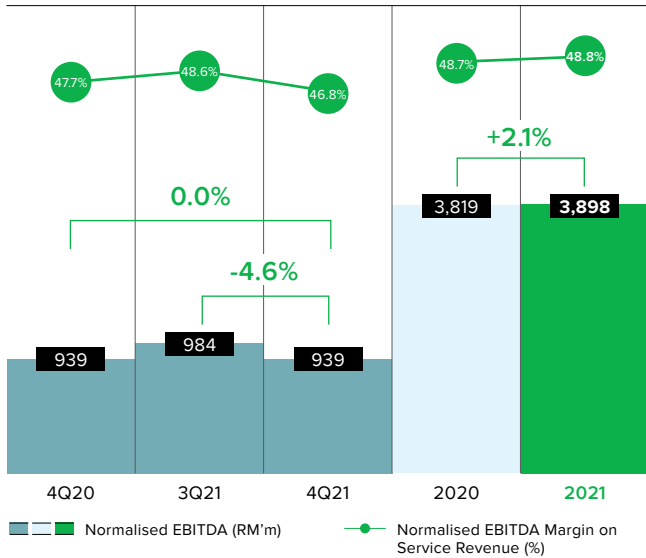


Our service revenue increased by 1.9% in FY2021 over FY2020 driven by core Mobile business as a result of steady growth in Postpaid and accelerated growth in Fibre & Wireless Broadband. We closed 2021 with a strong total mobile revenue generating subscriber (RGS30) base excluding machine-to-machine (M2M) of 9.9 million subscribers, representing a growth of 3.7% year-on-year.

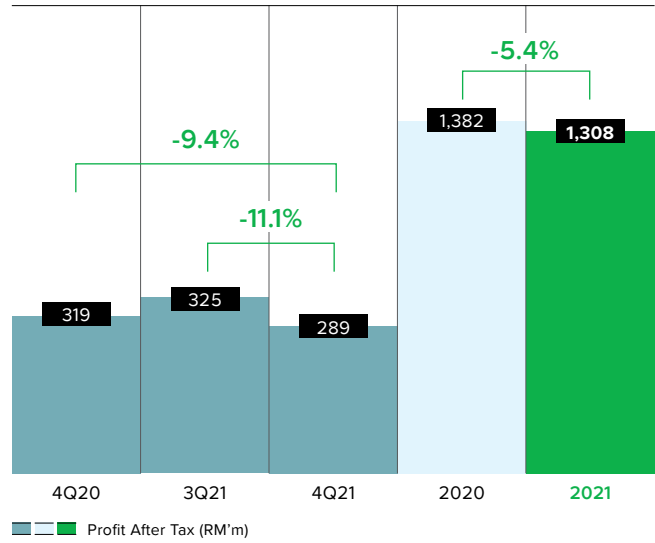
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Normalised EBITDA

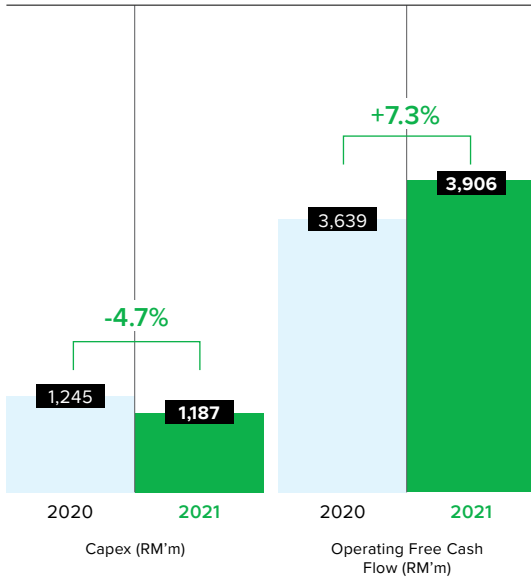


Profit After Tax

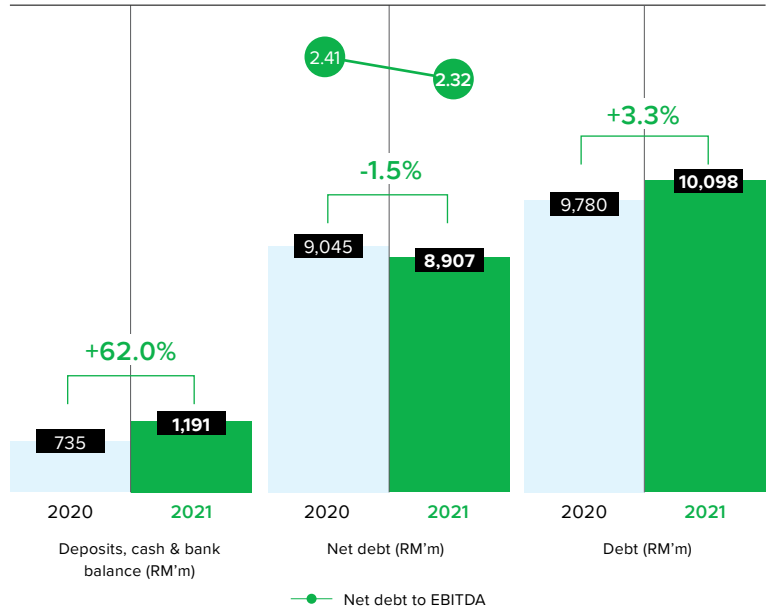


Normalised EBITDA and normalised EBITDA margin on service revenue increased to RM3,898 million and 48.8%, respectively, for FY2021. We recorded Profit After Tax (PAT) of RM1,308 million in 2021 compared to RM1,382 million in 2020. Year-on-year EBITDA growth was in line with the increase in service revenue while PAT was impacted by the increase in depreciation and spectrum amortisation.

Capex & Operating Free Cash Flow



Net Debt to EBITDA



Capital expenditure (Capex) in 2021 was RM1,187 million, a decrease of 4.7% from 2020 since the major IT transformation was completed in 2020. Operating Free Cash Flow (OFCF) grew by 7.3% to RM3,906 million mainly due to our focus on working capital initiatives and lower Universal Service Provision payments during the year.

As a result of this performance and our prudent cash management measures, the amount of deposits, cash and bank balance increased to RM1,191 million by the end of FY2021. Consequently, net debt to EBITDA ratio reduced from 2.41 to 2.32 as at 31 December 2021.

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PRODUCT PERFORMANCE REVIEW

The COVID-19 pandemic spanned the entire 2021, which resulted in travel restrictions, a decline in foreign workers, reduced disposable income due to increasing unemployment and decreased retail traffic due to the MCO. These factors accumulatively impacted our Postpaid, Prepaid and international roaming revenue.

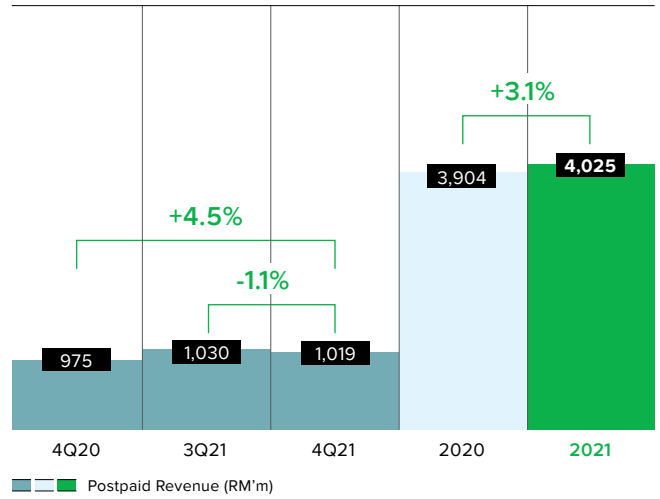
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Postpaid

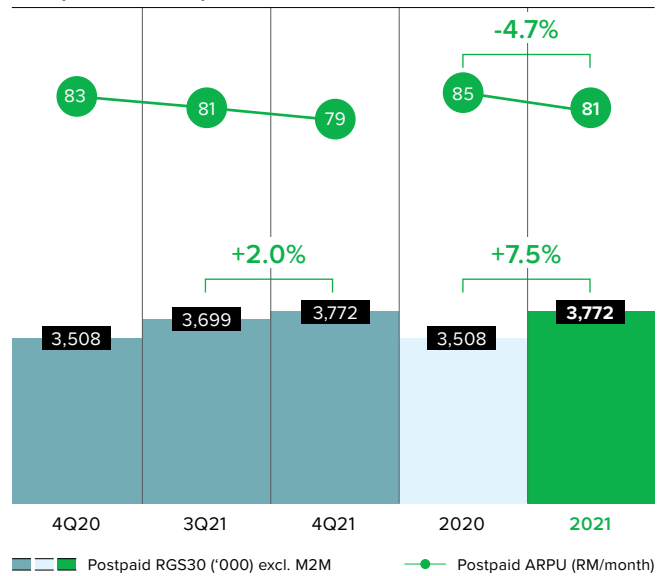
Postpaid service revenue for FY2021 increased by RM121 million, a 3.1% year-on-year growth, to RM4,025 million (FY2020: RM3,904 million). Postpaid RGS base grew by 264,000, which represented a 7.5% increase year-on-year. The Postpaid ARPU decreased by 4.7% year-on-year from RM85 to RM81 per month, largely due to the dilution effect of the increased number of value-accretive Hotlink Postpaid subscribers and increased number of Postpaid shared lines.

Data usage rose to an average of 25.9GB per month, compared to 19.7GB in 2020. The increase was largely driven by the MCOs with their Stay at Home and Work from Home requirements. This also led to the increase in Maxis App penetration, with 62.1% of our Postpaid primary account holders using it in 2021.

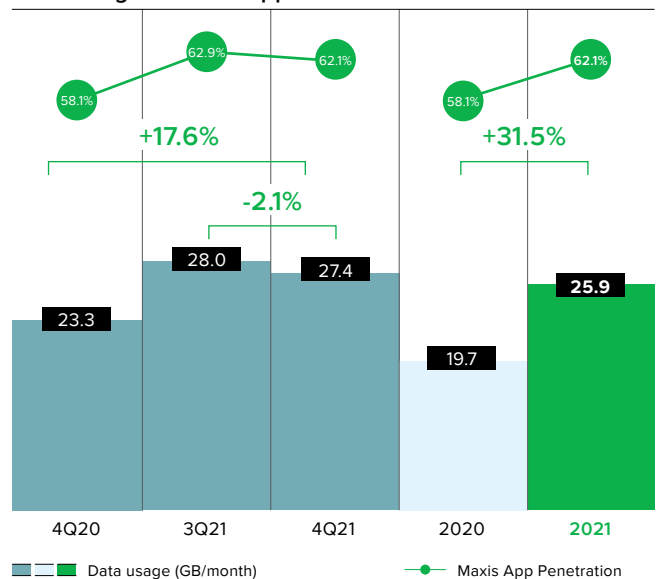
Postpaid Revenue



Postpaid Subscription & ARPU



Data Usage & Maxis App Penetration



Note: The comparative results were restated to conform with current presentation.

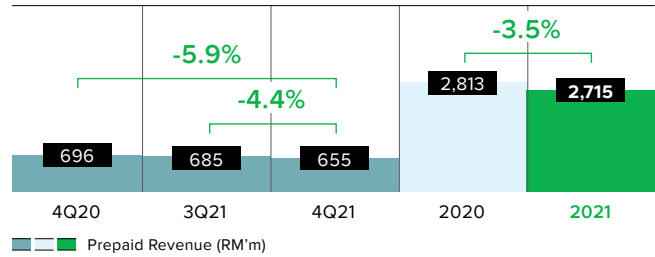


Prepaid

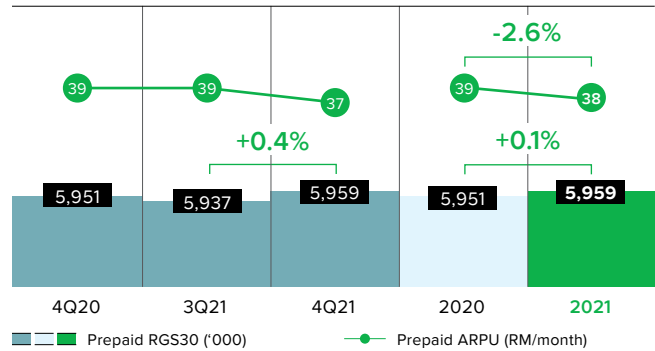
Prepaid service revenue for 2021 declined by 3.5% or RM98 million to RM2,715 million. The Group's Prepaid subscription base was relatively stable at 5.96 million. The strong growth in Hotlink Prepaid Unlimited subscribers offset the successful migration of subscribers to the Hotlink Postpaid service. Prepaid ARPU declined marginally by 2.6% from RM39 to RM38 per month.

Prepaid data usage per month remained relatively high in the second half of 2021 as the country continued to adapt to the new normal arising from the MCO with Stay at Home and Work from Home requirements. Although the Prepaid market remained competitive, we were once again innovative in our products and distribution. It is worth noting that, despite the Prepaid market's ongoing trends and our successful migration of Prepaid subscribers to Postpaid, Hotlink Prepaid remains resilient, aided by personalised promotions offered through our Hotlink App, which leverages data analytics.

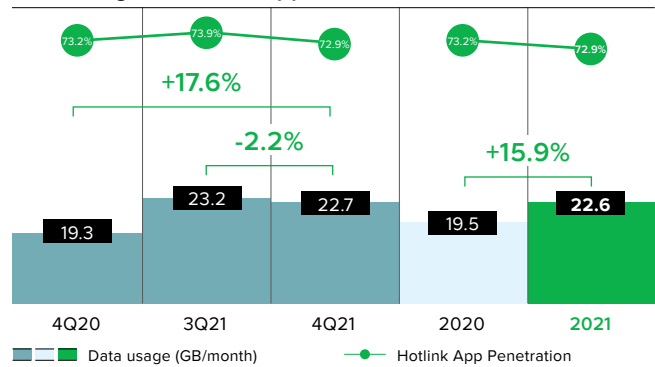
Prepaid Revenue



Prepaid Subscription & ARPU



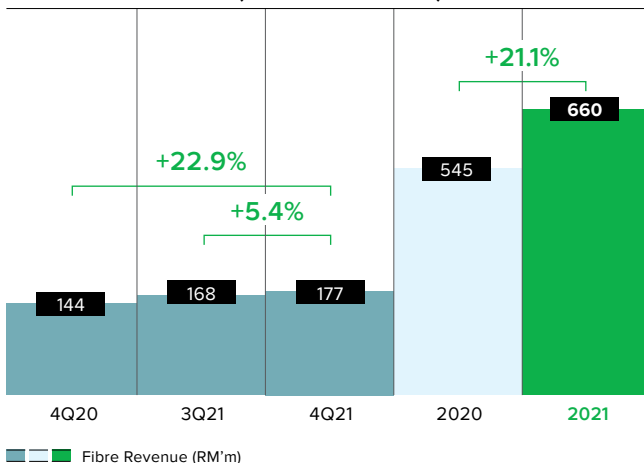
Data Usage & Hotlink App Penetration



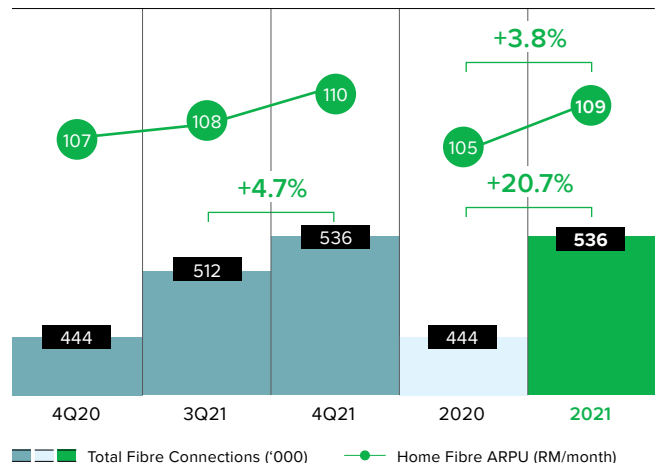
Home and Enterprise Fibre

Our total Fibre revenue grew from RM545 million in 2020 to RM660 million in 2021, an increase of 21.1%, FY2021 on FY2020. Our Fibre connections for both Home and Biz Fibre also grew by 20.7% from 444,000 connections in 2020 to 536,000 connections in 2021. The healthy uptake of higher speed packages and upgrades to existing customers are bearing results, as shown in the increasing ARPU trend from RM105 per month to RM109 per month, up by 3.8%.

Total Fibre Revenue (Home + Biz Fibre)



Total Fibre Connections & ARPU





Management Discussion & Analysis

	2021 RM'm	2020 RM'm	2021 %	2020 %
Value distributed				
To Employees	735	670	14%	13%
To Government	910	905	17%	18%
To Providers of Capital	1,803	1,819	34%	36%
Retained for Future Reinvestment and Growth	1,818	1,710	35%	33%
Total Distributed	5,266	5,104	100%	100%
Value generated				
Revenue	9,203	8,966	-	-
Less: Operating Expenses	(4,268)	(4,220)	-	-
Operating Profit	4,935	4,746	94%	93%
Government Grant and Other Income	271	274	5%	5%
Finance Income	60	84	1%	2%
Total Value Added for Distribution	5,266	5,104	100%	100%

INVESTOR RELATIONS

Creating Long-Term Shareholder Value

Maxis is committed to creating long-term value for its shareholders and has been providing consistent cash returns through the declaration of dividends. For the FY2021, Maxis rewarded its shareholders with RM1.33 billion cash dividends comprising four interim dividends each of 4.0 sen per share with an additional special interim dividend of 1.0 sen per share in the fourth quarter. The total dividend payout of 17 sen per share represents a dividend yield of 3.51%, based on the closing share price of RM4.85 as at the end of December 2021. The proposed dividend payout is aligned with our dividend policy and policy of active capital management.

Dividend Policy

Our full dividend policy, as stated in our IPO Prospectus dated 28 October 2009, is reproduced here for reference: "The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis' earnings, capital requirements, general financial condition, the Company's distributable reserves and other factors considered relevant by the Board.

Maxis intends to adopt a dividend policy of active capital management. The Company proposes to pay dividends out of cash generated by its operations after setting

aside necessary funding for network expansion and improvement and working capital needs. As part of this policy, the Company targets a payout ratio of not less than 75% of its consolidated PAT under Malaysian Generally Accepted Accounting Standards (GAAP) in each calendar year, beginning financial year ending 31 December 2010, subject to confirmation of the Board and to any applicable law, licence and contractual obligations and provided that such distribution would not be detrimental to its cash needs or to any plans approved by its Board. Investors should note that this dividend policy merely describes the Company's present intention and shall not constitute legally binding statements in respect of the Company's future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board's discretion.

As the Company is a holding company, its income, and therefore its ability to pay dividends, is dependent upon the dividends and other distributions that it receives from its subsidiaries. The payment of dividends or other distributions by the Company's subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and other factors that their respective board of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for the Company's subsidiaries may limit their ability to declare or pay cash dividends".

The reported profit after tax payout ratios in the financial years 2018, 2019, 2020 and 2021 were 87.7%, 103.6%, 96.0% and 101.8%, respectively.



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COMMUNICATING WITH OUR SHAREHOLDERS

Maxis remains committed to maintaining the highest standards of corporate disclosures and transparency. Our disclosure policy is based on these three key principles:

- i. Maintain open and regular communications with all shareholders;
- ii. Disseminate financial and strategic updates in a timely and transparent manner; and
- iii. Ensure equal treatment and protection of shareholders' interests.

We actively communicate with our shareholders

We maintain active dialogues with our shareholders throughout the year, through a planned investor relations programme that includes corporate days and investment conferences, which, in FY2021, were held virtually. In addition, we respond to ad hoc meeting requests and queries from shareholders as well as the investment community. Our investor-focused programmes are further supplemented by a dedicated Investor Relations website, a key resource for corporate information, financial data, stock exchange announcements, quarterly results, annual reports, upcoming investor events, shares and dividend information and investor presentation slides. Our Investor Relations website is available at <http://maxis.listedcompany.com/home.html>.

We meet regularly with major institutional investors via virtual investor meetings as we adapt to the new normal. We also hold regular sessions with financial analysts to discuss business performance and strategies. These meetings are typically hosted by the Head of Investor Relations and attended by the appropriate mix of senior management, including our Chief Executive Officer and Chief Financial & Strategy Officer.

We believe in the constructive use of our Annual General Meetings (AGMs). These meetings are attended by our Board of Directors and the Management Team. A comprehensive review of the Company's performance is shared and any shareholder present can query the Board and Management Team at these meetings. Our external auditors are also present to answer any questions on the auditing, preparation and content of the independent auditors' report.

Our stakeholders, especially institutional investors, place great emphasis on how we manage our Environmental, Social and Governance (ESG) matters and create value from our operations. Being cognisant of this, we have embarked on a value creation journey to fully integrate our annual report in accordance with the IIRC Framework to form a holistic view of our strategy and growth plans, as well as manage key risks and opportunities, in order to build and reassure confidence and improve our future performance. Also, we have been listed on the FTSE4Good Bursa Malaysia Index since 2015. Valued by our shareholders and other stakeholders for benchmarking our corporate responsibility practices, we intend to maintain and further improve our position on this index in the future.

Feedback and enquiries

We welcome feedback on our Investor Relations initiatives, as well as the other information we have provided herewith. Queries about and requests for publicly available information, comments and suggestions to the Company can be directed to ir@maxis.com.my. We look forward to continuously and effectively engaging with our shareholders.



Empowering

Businesses

to Always Be Ahead
with the best of
technology
and solutions





Building Business Resiliency

Digitalisation has become globally ubiquitous in the world we live in today. The emergence of new business models and the rise of cloud computing and platforms have made it easier and cheaper for companies to go digital. This already-accelerating trend was given a further boost in the last two years by the COVID-19 pandemic. Digital technology became even more critical in the daily lives of Malaysians as entire segments of product value chains migrated online during the multiple lockdowns over the last two years. As retail moved online, even the typically brick-and-mortar fulfilment and logistics industry adopted technology to achieve greater speed, efficiency and cost reductions.

All of this has emphasised the importance of Maxis' role in nation-building. As we move closer towards the introduction of 5G and adjacent technologies, we are resolved to be the leading digital enabler for the country. The COVID-19 pandemic forced us to be a more agile and adaptive organisation as we executed our COVID-19 response and recovery plan. The subsequent reconfiguration of Maxis post-pandemic has resulted in a more resilient organisation. Despite the headwinds and challenges of COVID-19, Maxis has ridden the tailwinds of digitalisation and emerged stronger and ready to accelerate towards the next chapter as a national digital champion.



Policy Environment

Industry Shifts and Megatrends

- The COVID-19 pandemic has further highlighted the importance of telecommunications infrastructure as an enabler for remote working, e-commerce, access to essential services and all aspects of the digital economy.
- In February 2021, the government launched the MyDIGITAL initiative with the vision of transforming Malaysia into a digitally driven, high-income nation and a regional leader in the digital economy.

Impact on Maxis

- The focus on a strong and resilient telecommunications infrastructure as a national imperative aligns with our strategy of strengthening our 4G network, which includes expanding coverage into rural and underserved areas to bridge the digital divide, something made possible with the planned sunset of 3G services.
- MyDIGITAL will require robust connectivity capacity, so this initiative has a significant impact on Maxis in terms of our role in nation-building.

Our Strategic Response

- Over the past three years, Maxis has been moving towards being a converged connectivity provider and a digital-first company. We will continue to roll out our MAX Plan strategy and we are confident that we will stay ahead of the competition.
- We have committed to becoming the preferred digitalisation partner for Malaysian SMEs as part of our growth strategy in the enterprise segment. This dovetails significantly with many of the proposed initiatives under MyDIGITAL.
- By focusing on a services model for providing connectivity and digital solutions to both our consumer and enterprise segments, we believe that we can acquire growth sustainably through this strategy.

2022 Outlook

- The rate of digitalisation in Malaysia will continue to grow, having been catalysed by the COVID-19 pandemic and subsequent lockdowns. This will grow to encompass new use cases for 5G technology.
- Maxis is well primed to assume the leadership role in becoming Malaysians' preferred digital and technology partner for our local SMEs, as well as a key enabler of opportunities for our consumers.



Work Goes Online

Industry Shifts and Megatrends

- The COVID-19 pandemic changed the way that companies across the globe approached the future of the workplace.
- Many businesses transitioned from physical workplaces to remote working environments powered by videoconferencing and productivity tools.
- Businesses that did not rely on physical proximity have largely gone virtual to take advantage of the benefits with minimal impact on sales.
- Moving to an endemic state has cemented the trend of remote work and accelerated the rate of automation to reduce or eliminate the need to go to the office.
- Retail stores are moving towards digitalised customer interactions to reduce physical contact by utilising digital touchpoints.

Impact on Maxis

- Maxis employees are categorised into multiple teams based on their need to be in the office or on the ground.
- Efforts to reduce physical contact and interaction between employees help prevent the spread of COVID-19 in the office.

Our Strategic Response

- We transitioned employees to newer ways of working; this included Return to Office (RTO) which is based on rotational teams which are determined by personal or health requirements and essential functions required on site.
- Awareness programmes were hosted to educate employees on the benefits of being vaccinated.
- Vaccination drives were organised to ensure that our people's health and safety were being taken care of. As of 31 December 2021, 94% of our people were fully vaccinated.
- All meetings that do not have a mandatory face-to-face requirement have been moved to Microsoft Teams, a virtual platform.
- Maxis Centres (retail stores) have evolved to serve customers digitally, creating safer customer interactions and deeper customer engagement through digital touchpoints.
- Maxis Centres operated with the minimum number of staff needed to ensure that the stores ran efficiently.
- All frontline staff were fully vaccinated and tested bi-weekly for assurance.

2022 Outlook

- This year, we will ensure continued focus on our employees' well-being.
- Booster shot vaccination drives will be organised to improve business resilience to COVID-19.
- Improved virtual and in-person social engagements will be hosted throughout the year to boost morale and build employee camaraderie.
- Maxis Centres will become increasingly digital, with innovative technology enhancing customer experience and emphasising experiential interactions.



Economic Landscape

Industry Shifts and Megatrends

- Despite the multiple lockdowns, the economy grew by 3-4% in 2021, driven by the multiple stimulus packages announced by the government to provide relief to the whole economy.
- The 12th Malaysia Plan (12MP) was viewed positively as it provided a five-year road map for economic development that will help to chart a recovery trajectory for the country and create economic resiliency.
- Greater focus on sustainability and ESG considerations across all sectors of the economy.

Impact on Maxis

- The recovery in the second half of the year bolstered Maxis' performance through an increase in device uptake and value-added services by consumers, while Enterprise customers subscribed to our productivity, marketing and business solutions.
- The 12MP will accelerate Malaysia's transition to a more digital society by digitalising our local SMEs. This will have a direct impact on the growth of our Enterprise segment.
- The additional focus on sustainability within the 12MP aligns well with Maxis' own sustainability aspirations.

Our Strategic Response

- Maxis will leverage the current economic recovery and ongoing government stimulus packages to strategically target our consumer segments (i.e. individuals, households, SMEs, corporates) during times of increased spending power and healthier employment rates.
- We will develop and integrate a sustainability strategy into our wider corporate strategy to ensure Maxis' contribution to Malaysia's sustainability and global climate ambitions.
- Maxis will use digitalisation and automation to gain a better understanding of and insights into our supply chain, ensuring its resilience.

2022 Outlook

- Maxis is optimistic and ambitious for the coming year, thanks to a positive recovery outlook for Malaysia's economy in 2022.
- The government stimulus packages will continue to advance digitalisation and Enterprise growth.
- Unemployment rates are expected to return to healthier levels in 2022, encouraging consumer spending and increased demand for converged experiences.



Digital Inclusion

Industry Shifts and Megatrends

- The latest data shows that between 600,000 and 1 million M40 households have been relegated to what was previously the B40 bracket.
- Many of these households will come to rely on connectivity and digital solutions more than ever for work, business, essentials, learning and leisure.
- A significant number of those embracing the digital economy will be from rural and underserved areas where internet access and connectivity may not be robust enough to support economic activity.
- The government has implemented the JENDELA initiative, which commits to providing wider coverage and better broadband for underserved parts of the country. This means raising the coverage from 93% to 98%, ahead of the 5G deployment.

Impact on Maxis

- SMEs will aim to capitalise on this growth of newer markets, opportunities and talent by accelerating the adoption of digital platforms and payment methods, thereby signalling an increased demand for Maxis' enterprise solutions.
- Maxis continues to support Malaysia's JENDELA connectivity ambitions by continued investment into expanding our fibre network coverage, with the aim of providing a quality digital lifestyle.

Our Strategic Response

- The enhanced digital lifestyles of consumers have increased demand for connectivity, which has been a strong driver of Maxis' resilient core mobile business.
- Maxis has a sizable youth customer base that is looking for low-cost data plans, which we have made possible through our Hotlink prepaid and postpaid plans.
- We continued to support affordable and accessible device ownership propositions through Zerolution 360.
- Maxis remained agile in providing home connectivity with wireless broadband offerings for households with pending fibre installations.
- In line with the JENDELA plan, we focused on investing and expanding our 4G coverage into rural and underserved areas.
- Maxis continued to focus on the eKelas initiative to provide greater access to digital learning through free oral content for all students, especially enabling those from rural communities and students attending online classes during lockdowns.
- We ran workshops and webinars under eKelas Usahawan, which provides digital tools and skills to women entrepreneurs, particularly those in rural areas.
- We continued to give back to students in rural areas through the #MYBaikHati initiative, enabling more people to leverage technology and fulfilling our commitment to providing greater access and connectivity to digital learning.
- Maxis supported Jaringan Prihatin, a government initiative focused on bridging the digital divide and ensuring more Malaysians have access to the digital economy.

2022 Outlook

- COVID-19 has served as an accelerant in Malaysia's digital adoption journey. The growing connectivity and digitalisation demands have reinforced our vision and strategy, and we remain committed to doubling down on the execution of our converged services and enterprise solutions growth strategy.
- Maxis will continue to drive the growth of the eKelas initiative to create a larger platform of digital educational content which can be accessed by more students across Malaysia.
- We will continue to be a strong supporter of bridging the digital divide and embark on more nation-building initiatives.



Technology Trends

Industry Shifts and Megatrends

- Since the COVID-19 pandemic, there has been an increase in demand for wireless broadband, which is a product of Malaysia's high mobile-centricity.
- COVID-19 has cast a spotlight on IoT applications across all verticals.
- Businesses are accelerating their digitalisation timelines by migrating to the cloud, increasing usage of data and analytics and adopting productivity tools and platforms.

Impact on Maxis

- The pandemic has encouraged us to be more innovative in how we engage with our customers and provide them with the best digital customer experience possible.
- We will make a stronger push to expand our Enterprise solutions to be ready to meet the growing digital needs of our customer segments.
- We will place a greater emphasis on supporting the nation's digital economy ambitions via our role as a connectivity and solutions provider.

Our Strategic Response

- We utilised big data and analytics to better understand our customers and provide customisable offerings through our digital apps, resulting in increased customer loyalty and higher NPS scores.
- Maxis completed several acquisitions to strengthen our portfolio of digital solutions for the Enterprise segment. We also enhanced our Cisco and Microsoft technology platform certifications and established stronger partnerships.
- Throughout the year, Maxis created interesting digital employee engagements, such as a virtual town hall built on a virtual Maxis campus.

2022 Outlook

- Growing usage of big data and analytics as the ultimate digital engagement tool in interacting with and serving customers.
- With a first-mover advantage in the Enterprise space, Maxis will continue to build robust digital and technological solutions and platforms to be the #1 technology partner who is best positioned to meet the demands of the digital decade.
- Maxis will continue to identify and pursue strategic partnerships to provide the best 5G and technological innovations to consumers and businesses.



Climate Action

Industry Shifts and Megatrends

- Malaysia is positioning itself as a sustainable financial hub, thus providing the opportunity to apply financial instruments that can accelerate Malaysia's transition to a low-carbon economy.
- Malaysia has committed to aggressive carbon neutrality targets in the form of a Nationally Determined Contribution (NDC), pledging to reduce its economy-wide carbon intensity (against GDP) by 45% by 2030, compared to 2005 levels.
- At COP26, Malaysia made several commitments, including halting deforestation by 2030 and curbing methane emissions by signing the Global Pledge on Methane.
- Malaysia faces growing climate change impacts, which will result in more frequent extreme weather, as evidenced by the increased flooding across the country in December 2021.
- The European Union (EU) will implement a Carbon Border Adjustment Mechanism (CBAM) beginning in 2023, with the United States also considering a similar measure called a 'polluter import fee', which might impact Malaysian businesses as trading partners.

Impact on Maxis

- Maxis is a partner to all industries in climate action efforts as telcos serve as the backbone industry to enable the digitalisation of other industries, which contributes to the reduction of carbon emissions.
- Maxis echoes the urgency to commit to concrete climate actions by virtue of our position as a responsible corporate citizen of Malaysia. This will be one of the anchors of Maxis' long-term sustainability strategy moving forward.

Our Strategic Response

- Maxis has leveraged our digital channels and platforms to minimise physical waste and carbon emissions in the way our customers purchase products and services from us, which reinforces the importance of a sustainable lifestyle among our consumers.
- Maxis has deployed hybrid solutions - a combination of diesel generators and batteries that has reduced diesel usage. We have also begun installation of full and hybrid solar systems at rural sites to optimise operational cost while reducing carbon impact.
- Maxis is shifting towards a more sustainable operating model for our physical buildings and internal operations via our energy optimisation initiatives.
- Maxis has collaborated with MCMC to provide customers with an avenue to recycle electronic products at Maxis centres across Malaysia.
- Maxis mobilised its teams to support flood victims with initial aid, which included food boxes and hygiene kits, along with SIM packs for those in relief centres.
- Maxis completed flood mitigation simulation exercises with the relevant authorities and deployed standby generators to 49 sites, in anticipation of prolonged power disruptions from the floods. We also made 55 portable generators available for nationwide mobilisation to keep key network base stations running.

2022 Outlook

- Maxis will seek to implement a comprehensive long-term sustainability strategy that addresses all Environmental, Social and Governance pillars in order to ensure our role as a key enabler of Malaysia's climate ambitions.
- Maxis will continue to strive to create a digital ecosystem with the right connectivity infrastructure in place and increased access to quality services and devices to enable all Malaysians to live a more sustainable lifestyle through digital platforms and the reduction of physical waste.
- Maxis aims to be a sustainability enabler for all of our consumers and businesses.
- Maxis aims to ensure network resiliency in facing extreme climate events and in providing emergency response, ensuring critical facilities (e.g. hospitals and evacuation centres) are well connected to support emergency response teams.



Cybersecurity

Industry Shifts and Megatrends

- The Malaysia Cyber Security Strategy 2020-2024 includes initiatives to enhance the existing legislative and regulatory framework used to combat cybercrime. The amendments to certain laws are now in progress, with the Attorney General's Chambers (AGC) collaborating with law enforcement agencies and other relevant government bodies.

Impact on Maxis

- Maxis will need to ensure that robust cybersecurity and data protection practices and policies are implemented across our organisation, through proactive data management and governance and in-house employee training, to ensure all employees are familiar with the latest cybersecurity practices and policies.

Our Strategic Response

- Maxis has been improving and investing in our cybersecurity capabilities by ensuring our security monitoring and data protection controls are always up to par so we can serve our customers with the best cybersecurity platforms and capabilities.
- We have also focused on the continuous development of our talent pool to create a culture that has high awareness of data protection and security in general.
- Maxis has always maintained a strong and close relationship with the regulatory bodies, especially the MCMC.

2022 Outlook

- Maxis will continuously improve our Cybersecurity Risk Management and ensure that we are always at the forefront of cybersecurity capabilities, as data security and the privacy of our customers remain a top-level priority for Maxis.
- Maxis will maintain a strong collaborative relationship with our regulators to ensure compliance with the latest privacy and data protection regulations.



Risks and Opportunities

KEY BUSINESS RISKS AND OPPORTUNITIES

Maxis continues to be impacted by a variety of risks stemming from both internal and external events such as the COVID-19 pandemic, 5G implementation, mergers between our competitors and spectrum allocation.

In 2021, apart from enhancing our overall Enterprise Risk Management (ERM) framework, we introduced a Cybersecurity Risk Framework and revised the Risk Appetite Framework in aligning with our principal risks and material matters by integrating our risk assessment parameters into our materiality assessment.

Further details of our business risks identification and prioritisation process are explained in the Statement on Risk Management and Internal Control.

Legend:

CEO	Chief Executive Officer	CTSO	Chief Technology Strategy Officer
CFSO	Chief Financial Officer & Chief Strategy Officer	CIO	Chief Information Officer
CCAO	Chief Corporate Affairs Officer	CNO	Chief Network Officer
CEBO	Chief Enterprise Business Officer	CSSO	Chief Sales & Service Officer
CHRO	Chief Human Resource Officer	CMO	Chief Marketing Officer

Pandemic Risk (COVID-19)

<p>Impact on Business</p> <ul style="list-style-type: none"> The COVID-19 pandemic may have far-reaching adverse impacts on our employees, operations, suppliers and customers. The outbreak could lead to reduced demand and sales activities, including diminishing mobile roaming revenue and lower customer acquisition, for both Mobile and Enterprise customers. Disruptions to our ability to deliver services due to movement control orders, supply shortages and/ or key employee loss could have adverse impacts on customer delivery and quality. The resulting economic downturn and the knock-on effect of rising bad debts, subdued spending and loss of employment could further dampen our business. The discovery of new COVID-19 variants may dampen economic recovery in the near future. 	<p>Mitigation Actions for Value Creation</p> <ul style="list-style-type: none"> We managed the crisis by putting people first, with the health of our employees and customers being our top priority. A Management Committee meets regularly to identify risk exposures, define pertinent mitigation actions and evaluate effectiveness. Various Health and Safety measures were implemented to protect our employees and customers. These measures were continually evaluated and refined to adapt to the changing situation and to align with guidelines issued by the Malaysian government and World Health Organisation. We stabilised our operations by deploying measures to strengthen network capabilities, conducting constant dialogues with our critical suppliers to ensure sufficient inventory, accelerating digital adoption for customer service and maintaining data security and privacy. We focused on recovery and business reconfiguration to bring in yearly revenue.
<p>Opportunities</p> <ul style="list-style-type: none"> Taking advantage of the significant boost in digital activity. Scanning for organic growth opportunities. Considering structural options or M&A opportunities to accelerate recovery. Optimising the network by identifying traffic hotspots due to the Movement Control Order (MCO). Restrategising products and service offerings to support the government's initiatives and the reopening of the economy. 	

<p>Risk Owners:</p> <p>CFSO CTSO CCAO CMO CEBO CSSO CHRO</p>	<p>Capitals Affected:</p>	<p>Key Risk Indicators:</p> <ul style="list-style-type: none"> Number of COVID-19 cases worldwide, regionally and locally Government's Movement Control Order/s
<p>Strategy:</p> <p>M A X</p>		



Competition Risk

Impact on Business

- An increasingly saturated market could create fierce competition for the Company.
- The increased competition arising from mergers between market players could create an uneven playing field in areas such as spectrum allocation, pricing power, market concentration, infrastructure and economies of scale.
- Intensifying market competition could lead to players providing overlapping services to cater to the demand for connectivity.

Mitigation Actions for Value Creation

- Intensifying efforts to gain market share and maintaining leadership in converged solutions in both consumer and enterprise segments.
- Continuous sessions in building rapport with the Ministry and regulators, including providing ideas and being involved in engagement sessions on spectrum and policy matters.
- Leveraging industry-leading LTE network and fibre connectivity to be Malaysia's leading converged solutions company.
- Driving efficiencies and innovation via new technologies, products and services, processes and business models to provide customers with an Unmatched Personalised Experience.
- Doubling down efforts on the three pillars of the MAX Plan.

Opportunities

- Building reputation and rapport with the Ministry and regulators.
- Revenue from innovative services and effective strategies focused on key segments.
- Improved agility and operational efficiency.
- Investment in skills.

Risk Owners:

CMO | CSSO | CTSO | CEBO | CCAO

Strategy:

M | A

Capitals Affected:



Key Risk Indicators:

- Service Revenue Share
- Mobile Network Portability
- Net Promoter Score
- Productivity Improvement
- Customer acquisition/ contract renewals

Economic Risk

Impact on Business

- Macroeconomic uncertainties could impact local economic growth and influence consumers' purchasing power as well as corporate spending.
- The long-term effects of prolonged lockdowns could drive more unemployment in the economy while subduing the growth of the SME segment.

Mitigation Actions for Value Creation

- Minimising the economic impact on businesses and consumers by driving key convergence value propositions and riding on government and local agency subsidies to accelerate digital adoptions.
- Continuing to accelerate our cost optimisation programme to drive improvements in cost structures, with a dedicated team.

Opportunities

- Economic recovery.
- The 12th Malaysia Plan and Budget 2022, focusing on the *Rakyat's* well-being and on business continuity, will have positive impacts on businesses and consumers.

Risk Owners:

CFSO | CMO | CEBO | CSSO

Strategy:

M | X

Capitals Affected:



Key Risk Indicators:

- Consumer Confidence Index
- Domestic Consumption
- Household spending



Risks and Opportunities

Operation Risk

<p>Impact on Business</p> <ul style="list-style-type: none"> Failure to provide Unmatched Personalised Experiences to our customers and at the same time deliver growth and optimise costs could impact our reputation and capabilities in delivering our strategy. This is more so for new business areas in Enterprise business and Home Broadband. Implementation of complex platform solutions and supporting infrastructure could impact operation processes and delivery channels. While travel restrictions and government-imposed movement control orders with disruptions to physical customer service delivery and availability of employees/ partners have gradually eased up, the resurgence of COVID-19 cases could cause the measures to be tightened again. 	<p>Mitigation Actions for Value Creation</p> <ul style="list-style-type: none"> We accelerated digital channels to provide digital care and self-service capabilities to enhance service excellence. We also worked with the authorities to carry out preventive maintenance on our network infrastructure. We continued identifying talents with the skills and capabilities to deliver new solutions / services. The Project Management Office integrated change management by identifying, evaluating and managing changes throughout key projects' lifecycles.
<p>Opportunities</p> <ul style="list-style-type: none"> Business stability and continuity. Innovative products and services through strategising cost optimisation. Increasing agility and market competition through cloud, digital and data/analytics assets and digitalisation efforts. 	

<p>Risk Owners:</p> <p>CMO CEBO CSSO CIO CHRO</p>	<p>Capitals Affected:</p>	<p>Key Risk Indicators:</p> <ul style="list-style-type: none"> Net Promoter Score Number of non-billing complaints Progress of implementation of new systems to support new services/products
<p>Strategy:</p> <p>A X</p>		

People Risk

<p>Impact on Business</p> <ul style="list-style-type: none"> As we grow our business beyond the core, recruiting, developing and training the best talents remain a challenge. Specialised skills to drive digital transformation strategies are scarce due to intense competition. Failure to safeguard the health, safety and well-being of our employees and the public, especially in light of COVID-19-related exposures and the reopening of the economy, which includes employees returning to the office. 	<p>Mitigation Actions for Value Creation</p> <ul style="list-style-type: none"> Leadership succession plans enable us to maintain our competitive market advantage. Resource cost is optimised with strong initiatives to respond to COVID-19 impacts while continuing to build capability in growth areas. Continuously building capabilities by upskilling our existing workforce, recruiting new talents and strategic mergers and acquisitions. In order to develop and retain talent, we conduct regular skills assessments in critical business areas, with structured developmental road maps to fill gaps identified. Developing our talents through formal learning, coaching and mentoring, and by providing critical experience through rotations and special projects. Proactively reviewing our talent retention strategy to ensure it is applicable to current needs to mitigate the risk of attrition of top-value and niche roles. Monitoring potential COVID-19 impacts on our colleagues and complying with global and government public health guidelines and measures. Establishing a targeted approach to retain key talents.
<p>Opportunities</p> <ul style="list-style-type: none"> Talent diversity through innovative talent attraction and retention strategies. A healthy and highly engaged workforce. Awareness among the workforce on Health, Safety and Environment, including related laws and regulations. 	

<p>Risk Owners:</p> <p>CHRO</p>	<p>Capitals Affected:</p>	<p>Key Risk Indicators:</p> <ul style="list-style-type: none"> Voice of Maxis (VOM) Score/ Employee Engagement Index (EEI) Vacant time for critical roles COVID-19 cases among employees Employee of Choice Surveys Attrition Rate
<p>Strategy:</p> <p>X</p>		



Regulatory Risk

Impact on Business

- As a result of new and revised regulations, telcos may need to respond so they can minimise the impact on the company's strategy in the short and long run.
- Regulated spectrum resources are limited, yet they are critical in maintaining competitiveness, growth and cost strategies.
- The political landscape (locally and globally) is factored into the business direction for telco companies to be responsive and agile in ensuring business resilience.

Mitigation Actions for Value Creation

- Closely monitoring new developments and engaging with regulators and the industry to propose changes and provide feedback on regulatory reforms and industry developments.
- Being committed to conducting business ethically and in compliance with applicable laws and regulations. We continue to improve the Maxis Anti-Bribery and Corruption System to ensure that Maxis and its subsidiaries remain well-positioned and have adequate measures in place to eradicate all forms of corruptions.
- Setting up an internal committee team to ensure that strong relationships are established with government bodies/ agencies.
- Proactively revising our strategies and relevant policies that are affected by the new regulations and/or amendments to ensure they have a minimal impact.

Opportunities

- New spectrum awards by the government.
- New revenue opportunities for network wholesale.
- Active participation in government initiatives.
- Minimising impacts on business strategy resulting from regulatory introductions or amendments.

Risk Owners:

CFSO CTSO CCAO

Capitals Affected:



Key Risk Indicators:

- Fines imposed by regulators
- Amount of spectrum to be awarded

Strategy:



Information Technology Risk

Impact on Business

- Cybersecurity threatens the resilience and integrity of our network infrastructure and support systems, with potential cyberattacks resulting in reputational damage, litigation or penalties.
- Work from Home arrangements due to COVID-19 could introduce additional cybersecurity vulnerabilities.

Mitigation Actions for Value Creation

- Our Cybersecurity Management (CSM) unit conducts security planning/projects, security operations, data protection initiatives, security forensics, threat intelligence and assurance to monitor and resolve security threats both internally and externally.
- In view of the increase in cybersecurity vulnerabilities from remote working due to COVID-19, the security of the remote access system (VPN) and its monitoring agents has been enhanced.
- During the year, our approach to cybersecurity risk management has also been enhanced with the identification of cyberthreats as risk drivers and key business scenarios.
- Conducting awareness and training sessions with regards to various cybersecurity threats throughout the year.
- Insuring liabilities with optimum coverage.

Opportunities

- Cybersecurity services for business customers.
- Consolidation of internal expertise.
- Security by Design to support increasing compliance with governance.
- Championing cybersecurity within the Maxis ecosystem.

Risk Owners:

CIO

Capitals Affected:



Key Risk Indicators:

- Percentage of Maxis critical system not covered by advanced protection system and controls
- Percentage of security incidences exceeding SLAs for containment
- Completion rate of Cybersecurity Awareness Training

Strategy:





Risks and Opportunities

Data Privacy and Protection Risk

Impact on Business

- We prioritise the protection of our customers' and businesses' data privacy amid rising concerns of data breach, theft, loss and misappropriation of information.
- Failure to do so could adversely impact customer confidence and lead to significant fines, business disruptions and reputational damage.
- During the COVID-19 pandemic, we observed an increase in cyberthreats targeting customers through phishing, social engineering and malicious or insecure apps and services. Work from Home arrangements for staff and third-party contract staff could increase risks relating to customer data leakage.

Mitigation Actions for Value Creation

- Establishing a data privacy and protection governance framework, encompassing various data privacy and data security policies, procedures, technologies and tools, to minimise the risk of privacy breaches and to ensure customers' data privacy.
- Establishing an escalation process for major incidents, including security breaches, for timely internal and external response and to minimise impacts.
- Carrying out various measures to detect and prevent customer data leakage, including fostering awareness on data privacy and protection among Maxis' stakeholders, incorporating data privacy and protection controls within processes and improvements in the implementation of data leak monitoring tools to address the increased exposure to data leakage from remote working.

Opportunities

- Establishing and incorporating structured data privacy and protection within governance and internal business processes.
- Cybersecurity services for business customers.
- Strengthening trusted third-party roles.
- Increasing efforts to promote awareness internally and externally on data privacy, management and protection.

Risk Owners: CFSO CTSO CIO

Capitals Affected:

Key Risk Indicators:

- Progress on implementing data protection and privacy programme
- Number of data breaches

Strategy: A X

Vendor / Supply Chain Risk

Impact on Business

- Our business is increasingly dependent on strategic third-party relationships, including vendors and their extended supply chains. A critical failure on their part may lead to system and network interruptions that could adversely impact our operational efficiency and ability to deliver quality services.
- A resurgence of the COVID-19 pandemic and internal resource limitations in supplier countries could disrupt global supply chains of network equipment, devices and SIM cards.
- Also, geopolitical conflicts could contribute to the impacts of this risk.
- This risk also includes the possibility of exposing the Group to potential ESG risks within the supply chain.

Mitigation Actions for Value Creation

- Periodic vendor performance evaluation is a key part of our supply chain risk management, to identify improvements and corrective actions relating to deficient performance.
- Optimising processes and technology tools in our Source to Contract framework, enabling online supplier collaboration throughout onboarding, tendering and contracting, for transparency and proper audit trails.
- Maintaining constant dialogue with our critical suppliers, planning in advance and exploring and securing alternative supplies as necessary to ensure on-time delivery and sufficient supplies in the midst of global outbreaks.

Opportunities

- Purchase price reductions through volume and commercial competitiveness.
- Co-developing solutions with suppliers.
- Increasing the number of alternative preferred suppliers.

Risk Owners: CFSO CMO CEBO CTSO CIO CNO CSSO

Capitals Affected:

Key Risk Indicators:

- Timeliness in the delivery of goods and services

Strategy: A X



Technology Risk

Impact on Business

- Failure to advance with evolving technological and digital capabilities in order to maintain our leading edge in technology and innovation could hinder our ability to transform to meet stakeholder expectations and render our infrastructure and systems obsolete ahead of their expected useful lives.
- Also, new technologies that are implemented without a clear development and transition programme, including their adequacy of operating models and maturity road maps, could affect the adoption rate, subsequently hindering the technologies' returns on investment (ROI).

Mitigation Actions for Value Creation

- Continuing to invest in upgrading, modernising and equipping our systems with new capabilities to deliver innovative and relevant services to our customers.
- Also, technologies must prove their maturity in the commercial environment prior to being applied in Maxis' environment.

Opportunities

- Cost reductions.
- Convergence and new services.
- Reduction of network equipment and maintenance costs.
- Service differentiation/ customisation (e.g. UPE).
- Effective management of the technology's performance and scalability.

Risk Owners:

CTSO CIO

Strategy:

A X

Capitals Affected:



Key Risk Indicators:

- Delay in meeting key milestones for new technology implementation
- Customer non-billing complaints (technology-related)
- Adoption rate, user engagement index, failure/fault rate, performance and scalability

New Business Risk

Impact on Business

- The competitive operating landscape and stakeholder demands require us to diversify our product and service offerings beyond the core to create additional revenue streams through multiple converged solutions services, e-Wallet services, Maxis TV, managed cloud services, cybersecurity and ICT.
- These new growth areas could expose us to liabilities if the exposures are not adequately identified and managed.

Mitigation Actions for Value Creation

- Continuously updating our organisational structure, talent management and development and policies and processes, as well as investing in new technologies, to meet the demands of new businesses in relation to people, processes and systems.
- Actively monitoring business operations should there be a requirement to adhere to defined and applicable regulations.
- Transferring liabilities to insurance, with optimum coverage and premiums.

Opportunities

- Revenues from new business uses (5G, IoT).
- Convergence and new services.
- Transferred risk (e.g. insurable risk).

Risk Owners:

CFSO CEBO CMO
CHRO CSSO

Strategy:

M A X

Capitals Affected:



Key Risk Indicators:

- Progress in transforming people, processes and technology to meet the demands of new businesses
- Return on investment (ROI) on new products or services



Risks and Opportunities

Network Failure Risk

Impact on Business

- Disruptions to the reliability of our high-quality networks and systems, through malfunctions, losses or damage to our network infrastructure caused by natural disasters, insufficient preventative maintenance or malicious attacks, could profoundly impact our operations and reputation.
- A resurgence of the COVID-19 pandemic could impact network quality due to the surge in traffic.
- The imposition of movement control orders nationwide or at the district level could lead to network site access constraints to rectify network failures.

Mitigation Actions for Value Creation

- Preventing disruptions by continuously enhancing our networks' resilience and by reviewing our processes.
- Having an effective communication process for timely updates to our stakeholders during any incidents and/or crises.
- Our crisis management and escalation process enables our CEO and senior management to respond to emergencies and catastrophic events in a timely manner.
- Ensuring business continuity plans and insurance policies are in place.
- Deploying measures to strengthen our network capabilities in response to traffic surges from movement restrictions. Also, working closely with government authorities and contractors to enable effective network failure rectification and maintenance.

Opportunities

- New customers (extended network coverage) and new service opportunities.

Risk Owners:

CTSO CNO CCAO

Strategy:

A

Capitals Affected:



Key Risk Indicators:

- Net Promoter Score
- BCP's progress towards achieving target levels
- Service delivery
- Network performance



OUR TOP MATERIAL MATTERS & MATERIALITY ASSESSMENT




Our Key Relationships

At Maxis, we believe in balancing corporate purpose with the interests of not only our business, but also of our stakeholders, society and the environment.

In order to better understand the concerns and emerging priorities of our key stakeholders, regular engagement is conducted in daily operations. The Stakeholder Engagement exercise is conducted during the year to obtain a more comprehensive and in-depth understanding of stakeholders’ perspectives on Maxis’ sustainability management.






The scope of engagement includes both internal and external stakeholder groups. The stakeholders participate in qualitative and quantitative surveys to provide input on their perceptions of Maxis’ sustainability issues, as well as feedback to help Maxis prioritise its focus and identify new opportunities for sustainable growth.

Maxis’ response to our stakeholders’ key expectations is summarised below.

Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
 Board of Directors	<ul style="list-style-type: none"> Meetings Annual general meetings (AGM) and extraordinary general meetings (EGM) Board effectiveness evaluation Company events/ activities Annual reports, financial reporting and other disclosures <p>Frequency: Daily, weekly, monthly, quarterly, annually</p>	<ul style="list-style-type: none"> ESG road map and goals Operational excellence and technological improvements Product innovation for sustainability Climate change impact remediation solutions Reporting on ESG performance 	<ul style="list-style-type: none"> Develop ESG road map with short-, medium- and long-term goals Provide innovative technological solutions and products Regular engagement with Directors and management of the Company regarding ESG progress
 Customers (Enterprise)	<ul style="list-style-type: none"> Meetings Conferences/ Forums/ Seminars Company events/ activities Site visits/ Audits <p>Frequency: Daily, weekly, monthly, quarterly</p>	<ul style="list-style-type: none"> Infrastructure, efficiency, coverage, penetration and affordability of products/ services Widespread digital adoption Job opportunities for graduates Business opportunities for SMEs Decarbonisation of operations 	<ul style="list-style-type: none"> Improve coverage and provide quality broadband experience Enhance broadband network adoption nationwide Continue driving SME Digitalisation Scheme and enhance workshops such as eKelas Usahawan Enhance renewable energy initiatives in operations
 Employees	<ul style="list-style-type: none"> Meetings Conferences/ Forums/ Seminars Company events/ activities Site visits/ Audits Company intranet/ newsletter Internal surveys and feedback AGM/ EGM <p>Frequency: Daily</p>	<ul style="list-style-type: none"> Product innovation Portfolio expansion of CSR initiatives Job opportunities for the underprivileged community Circular economy Diversity & inclusion 	<ul style="list-style-type: none"> Continuous engagement with employees to enhance welfare Community engagement to digitalise local entrepreneurs Continuous engagement in CSR activities and volunteering programmes Engage in effective e-waste management Unconscious Bias workshops for managers



Risks and Opportunities

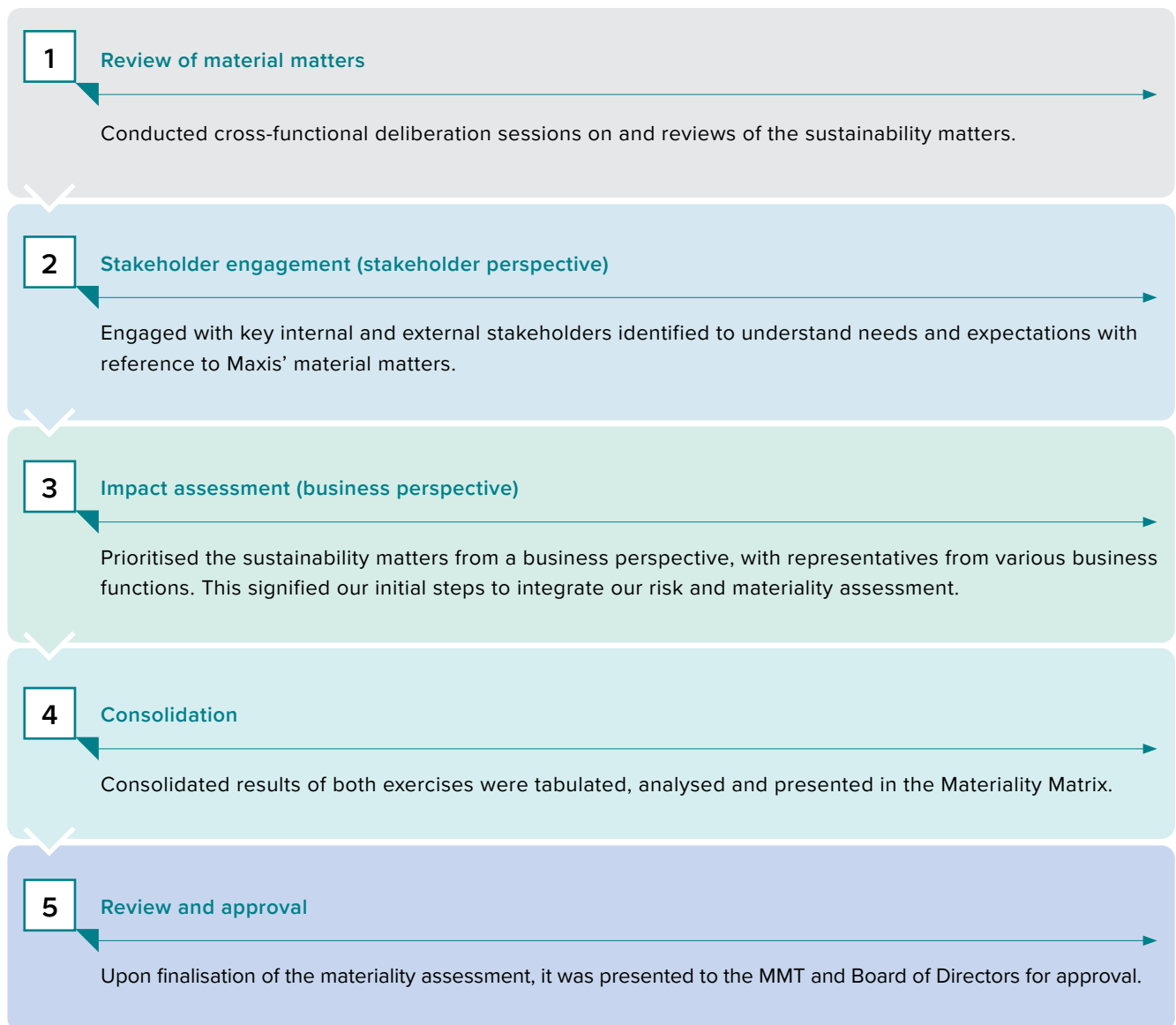
Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
Government/ Regulatory 	<ul style="list-style-type: none"> • Meetings • Conferences/ Forums/ Seminars • Company events/ activities <p>Frequency: Monthly, quarterly, yearly</p>	<ul style="list-style-type: none"> • Accessible and inclusive products and connectivity • Sustainable business model for underserved population • Digitalisation & modernisation • E-waste & Green Technology application for the telecommunications ecosystem • Net Zero GHG emissions 	<ul style="list-style-type: none"> • Collaboration in support of national sustainability agenda • Expand and enhance network infrastructure • Provide industry feedback and recommendations
Lenders/ Financiers 	<ul style="list-style-type: none"> • Company website (including annual reports/ financial reports) • Meetings • AGM/ EGM • Analyst Briefings <p>Frequency: Monthly, quarterly</p>	<ul style="list-style-type: none"> • Carbon management • Digital inclusion • Anti-bribery and anti-corruption • Online safety for children • Environmental management 	<ul style="list-style-type: none"> • Develop emissions inventory and reduction targets • Anti-Bribery and Corruption training for employees • Supply chain monitoring of vendor integrity • Initiatives to improve operational efficiency
Major Shareholders/ Investors/ Analysts 	<ul style="list-style-type: none"> • Company website (including annual reports/ financial reports) • Analyst Briefings • AGM/ EGM <p>Frequency: Quarterly</p>	<ul style="list-style-type: none"> • Product accessibility and affordability • Digital inclusion • Carbon footprint of supply chain • Supplier diversity • Network quality 	<ul style="list-style-type: none"> • Offer innovative and affordable products and services • Optimise cost savings through digitalisation of processes • Engage a balanced portfolio of suppliers, both local and international
Media 	<ul style="list-style-type: none"> • Company website (including annual reports/ financial reports) • Company events/ activities <p>Frequency: Weekly, monthly</p>	<ul style="list-style-type: none"> • Digitalisation • Product/ Services affordability • E-waste management • Anti-corruption • Online safety for children 	<ul style="list-style-type: none"> • Conduct Maxis Business Digital Readiness Index survey to benchmark organisations in their digitalisation journeys • New device ownership model which improves product affordability • Maximise, reutilise or refurbish decommissioned Network equipment • Strengthen Maxis Anti-Bribery and Corruption policies and system • Enhance cybersecurity policies
Suppliers 	<ul style="list-style-type: none"> • External surveys and feedback (i.e. customer survey, customer complaint channel) • Company website (including annual reports/ financial reports) • Internal/ External meetings <p>Frequency: Daily</p>	<ul style="list-style-type: none"> • IoT in specific sectors, e.g. healthcare & security • Energy-efficient solutions • Consumer engagement on e-waste management • Employment diversity • Customer engagement 	<ul style="list-style-type: none"> • Leverage partnerships to expand IoT ecosystem • Introduce renewable energy solutions and optimise Network equipment • Embed focus on inclusion and diversity within every job description • Achieve targeted Net Promoter Score



Our Materiality Assessment

In FY2021, we conducted a structured materiality assessment exercise to prioritise our sustainability matters based on both business and stakeholder expectations. Our materiality assessment process was guided by the enterprise risk management framework as well as Bursa Malaysia’s Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia Toolkit.

We engaged with a total of eight stakeholder groups, comprising the Board of Directors, employees, regulators, customers (enterprise), investors, financiers/ lenders, suppliers and the media, to obtain their input on the sustainability matters.



- 01
- 02**
- 03
- 04
- 05
- 06



Risks and Opportunities

Our Material Matters

Materiality assessment exercise was conducted to gather inputs from both stakeholders and business perspective on significant material matters related to economic, environmental, social and governance perspective. A total of 15 material matters were assessed with 8 of the matters identified as high priority.

VERY HIGH IMPORTANCE

<p>Network Quality & Coverage Continuously being at the forefront of technological innovation to enhance its key internal business functions for improvement of process efficiency, effectiveness, promote innovation and business continuity.</p>	<p>Regulatory Compliance Compliance with local and cross-borders regulatory requirements & internal company policies in maintaining Maxis' business integrity, performance and managing impacts of new regulatory changes in the areas in which we operate.</p>
<p>Data Privacy & Protection Our measures in managing stakeholders' data privacy and protection.</p>	<p>Digital Inclusion & Innovation Provision of affordable and innovative products and service offerings to address environmental, social and governance (ESG) related issues, in bridging the digital gap in support of national priorities in the markets in which we operate.</p>
<p>Customer Experience & Satisfaction Delivering quality customer experience through our products and services, including ongoing engagement to better understand and meet customer expectations.</p>	<p>Sustainable Business Growth Taking into account ESG considerations in making strategic investments/ acquisitions/ expansion/ partnerships to ensure our competitive edge and business sustainability whilst creating greater positive direct and indirect economic impacts to the communities where we operate.</p>
<p>Ethical Business Practice The way we govern and conduct our business in full compliance with relevant laws and regulations, and our commitment to being transparent to our stakeholders.</p>	<p>Crisis Management & Response Well-prepared for crisis with a rapid and adequate response plan, this includes providing society in times of emergency and disaster, through the contribution of our business streams to disaster response initiatives.</p>

HIGH IMPORTANCE

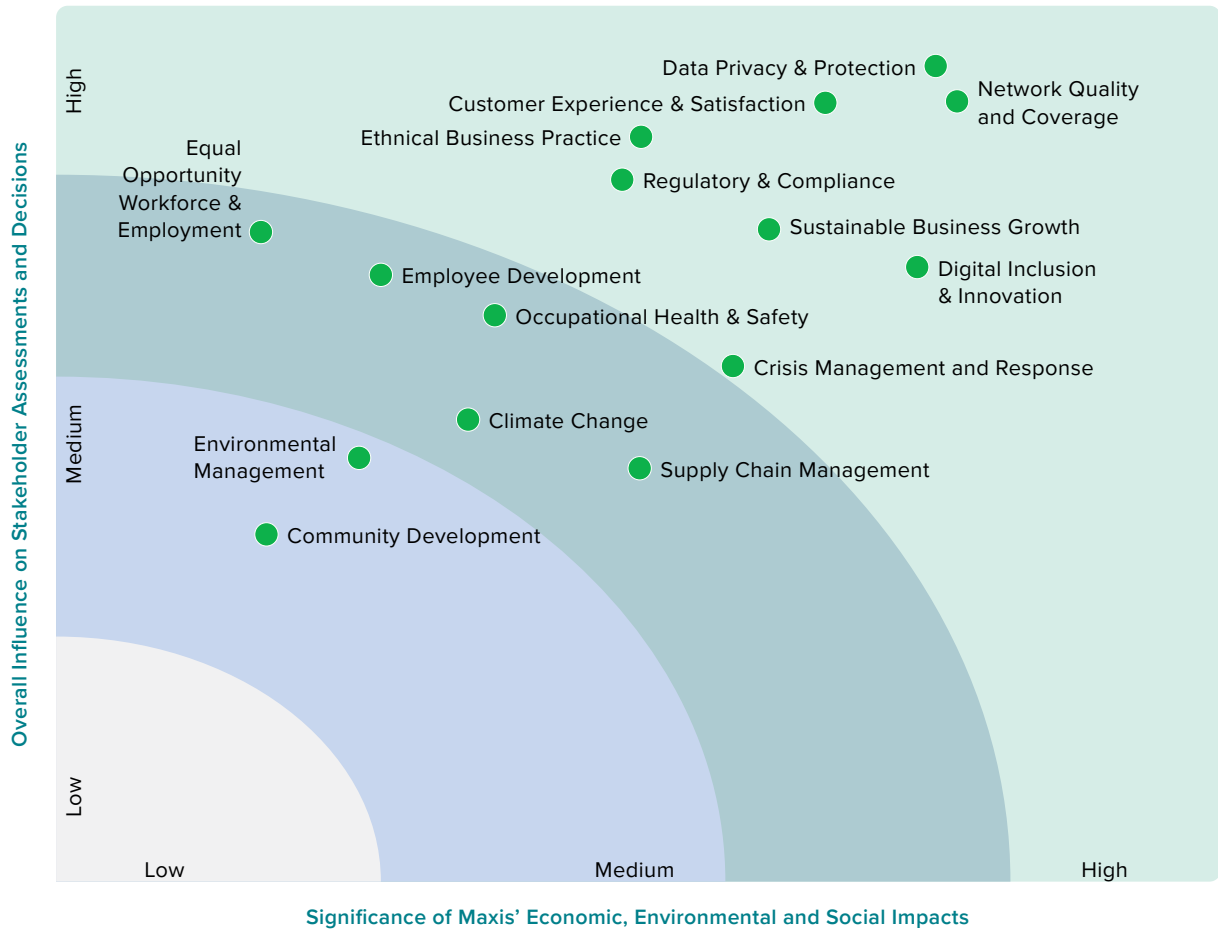
<p>Occupational Health & Safety The anticipation, recognition, evaluation and control of hazards arising in/ from the workplace that could impair the health and well-being of employees.</p>	<p>Equal Opportunity Workforce & Employment Fostering fair recruitment practices by embracing diversity and inclusion in a diverse workforce, while maintaining a safe and healthy working environment across our operations.</p>
<p>Climate Change Internal controls and monitoring mechanisms to mitigate climate change risks and develop a climate agenda for Maxis. This includes energy consumption management and climate change considerations when developing products and solutions.</p>	<p>Supply Chain Management Consideration of ESG factors (e.g. human rights and environmental management) across processes involved in supply chain management (i.e. reduction of dependencies, managing vendor-related risks and performance).</p>
<p>Employee Development Investing in effective programmes to promote employee development and competency enhancement to respond to the rapidly changing and complex business environment.</p>	

IMPORTANT

<p>Environmental Management Internal controls & monitoring mechanisms to manage climate change and environmental impacts (e.g. energy consumption, waste management, etc.) arising from our business operations, and subsequently reducing their environmental impacts.</p>	<p>Community Development Monetary and non-monetary contributions to local communities/ underprivileged/ underserved groups (e.g. focusing on education, disaster relief aid, improving welfare of local citizens, etc.).</p>
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Materiality Matrix



In comparison with Maxis' FY2020 assessment, the following could be deduced:

Customer Experience and Satisfaction, Data Privacy and Protection, Ethical Business Practices, Regulatory & Compliance, Digital Inclusion and Innovation and Sustainable Business Growth remained as high-priority matters to Maxis. This was in line with Maxis' continuous efforts in delivering quality solutions to our customers while ensuring ethical conduct of business.

Newly identified high-priority material matters were the two (2) new matters which were added to the list of material matters this year, namely Network Quality and Coverage and Crisis Management and Response. These two matters consider the core element of a Telco provider's offering of a reliable network, and the importance of robust crisis management processes internally and in times of providing for the society in event of emergency and disaster, such as the COVID-19 pandemic and flood events.

Matters related to employees' welfare and well-being including Equal Opportunity Workforce & Employment, Occupational Health and Safety, and Employee Development remains important to Maxis as we know our people are our most important assets in growing in tandem with the company. Maxis is also geared up to embed diversity and inclusion as an essential practice in our organisation.

Climate Change have ascended in importance compared to Energy and Emissions identified in the previous year. This shows rising emphasis on carbon management to meet national goals of achieving carbon neutrality by 2050, and for Maxis to play our role in enabling carbon reduction through technological solutions for our clients.

Supply Chain Management remains a key element for Maxis' operations to ensure ethical business practices extends beyond our own operations to our business partners, suppliers, vendors, and service providers as well.

Community Development and Environmental Management remained moderately material to Maxis as we embarked on more initiatives in 2021 to support local communities in education and entrepreneurship, and in handling e-waste responsibly.



Risks and Opportunities

ALIGNMENT OF OUR MATERIAL MATTERS AND BUSINESS RISKS

As we revised the list of material matters, we have also reviewed to ensure the relevance and alignment of these material matters to our key business risks. The mapping is demonstrated in the diagram below:

		Our Key Business Risks													
		Pandemic	Competition	Economic	Operation	People	Regulatory	Information Technology	Data Privacy & Protection	Vendor / Supply Chain	Technology	New Business Risk	Network Failure		
Our Sustainability Matters	Network Quality & Coverage	●	●		●		●		●	●	●	●	●	●	●
	Data Privacy & Protection				●		●		●	●					
	Customer Experience & Satisfaction	●	●		●		●	●	●	●	●	●	●	●	●
	Ethical Business Practice		●		●	●	●	●	●	●			●		
	Regulatory Compliance	●			●		●	●	●				●	●	
	Digital Inclusion & Innovation		●		●	●	●	●		●	●		●		
	Sustainable Business Growth	●	●	●	●	●	●			●	●		●		
	Crisis Management & Response	●		●	●	●		●		●			●	●	●
	Occupational Health & Safety	●			●	●	●								
	Climate Change				●		●						●		
	Employee Development	●			●	●							●		
	Equal Opportunity Workforce & Employment				●	●									
	Supply Chain Management	●	●	●	●					●					
	Environmental Management				●		●						●		
	Community Development	●				●	●						●		



During the year under review, Maxis continued to embark on the MAX Plan—our long-term strategy that articulates our commitment as Malaysia’s Leading Converged Solutions Provider.

Despite the challenging operational landscape in 2021 as a result of the COVID-19 pandemic, we stayed on course with the execution of our strategic plans and continued to focus the Company on the path of sustainable growth by optimising our operations and augmenting our overall competitive advantage. We remained guided by our MAX Plan, while maintaining the highest levels of commitment to protect the needs and interests of our people, our stakeholders and the environment.

Our Vision

Be the Leading Converged Solutions Company in Malaysia

Our Purpose

We exist to bring together the best of technology to help people, businesses and the nation to *Always Be Ahead* in a changing world

OUR STRATEGY



Individuals, Homes and Businesses

- Continue to Win in Consumer Mobile
- No. 1 Convergence Player
- Grow Enterprise Exponentially



Accelerate Fibre

Penetration in line with JENDELA



Lead Converged Services

to the Home



Build Maxis Business

to be the Preferred ICT Partner for All Malaysian Businesses



Differentiated & Digital “Unmatched Personalised Experience” (UPE)

- Expand Customer Touchpoints
- Maintain Network and Technology Leadership
- Leverage Digitalisation to Enhance Capabilities



Expand Digital

Channels for Sales, Distribution and Service



Maintain Leadership

in Network and Technology



World Class Effective and Efficient Organisation

- Evolve the Organisation with the Right Culture, Talent & Capability
- XLR8 the Velocity of Change
- Elevate Maxis as a Highly Influential Corporate Citizen



XLR8:

Building Critical Capabilities, Culture and Systems for Sustainable Results



The chart below presents our FY2021's performance in realising our strategy and short-term priorities for FY2022.



Performance in FY2021

- Maxis mobile business remains resilient from value optimisation of base despite challenging market environment during the pandemic.
- Continued success of prepaid to postpaid upgrade campaigns driving greater increase in Maxis' postpaid subscribers.
- Maximised data analytics and artificial intelligence to increase customer retention and minimise churn rates.
- Increased digitalisation of platforms and channels, resulting in growth of digital reloads and customer touchpoint interactions.
- Steady Home broadband growth supported by Fixed Wireless Broadband (FWBB), device and service propositions.
- Increased convergence subscriber uptake of both mobile and fixed offerings.
- Enterprise has seen growth in Fixed space across Corporations and maintained clear market leadership in the SME segment amongst telcos.
- Increasing capabilities and moving up the ICT solutions stack with key product launches and successful acquisition and integrated of Peering One to further solidify our cloud offerings.
- Utilised Zerolution and promotional sales to drive increased device sales with affordable plans and deals.



Performance in FY2021

- Increased digitalisation of platforms and channels, resulting in growth of digital reloads and customer digital touchpoints.
- Expanded customer touchpoints to reach new segments in non-urban areas with alternate channels to target new customer segments.
- Maintained superior converged network quality leadership.
- Recognised as industry leader by MCMC's network benchmarks and kept high network NPS.
- Utilised and expanded on advanced analytics through for more personalised customer experience that improved churn management.
- Agile digital factories cross-functional squad enabled better alignment and collaboration.
- Cloud partnerships, co-creation and digital acceleration squads creating excitement over digital and analytics innovation value.
- Provided seamless omnichannel experience and superior digital engagement.
- Empowered customers to harness digital tools such as self-serve apps and self-diagnostic capabilities for quick resolution of issues.



Performance in FY2021

- Established and drove the five-year Talent Strategy road map.
- Developed strong partnerships with 13 higher education institutions and 6 talent partners. Awarded champion for telco category and top 10 employers in Malaysia for graduates.
- Shifted towards a more sustainable operating model in maximising energy efficiency and reducing our carbon footprint/ emissions in the way we operate and deploy our network.
- Built strong relationships with communities and the government through focused efforts on nation-building programmes and active engagement with the government to shape nation-building narratives to federal and state levels.
- Enhanced Maxis' enterprise risk management with improved risk maturity practices and heightened compliance across Maxis and external parties.
- Actively engaged with the communities through active eKelas Usahawan support towards B40 and entrepreneurs via partnerships with NGOs/ government.
- Continued to enable greater access to digital learning through eKelas with the deployment of Maxis' first mobile education platform and increased partnerships with schools.
- Supported the nation during times of crisis by ensuring stable connectivity and providing humanitarian relief and aid to affected communities and frontliners.
- Continued to successfully execute cost optimisation programmes with an optimised capital structure.



Priorities in FY2022

- Position Maxis as a brand that is committed to empowering all Malaysians and businesses in the country to be connected in every possible way, at all times, via *Rangkaian Kita Rangkaian Malaysia (RKRK)*.
- Target new opportunities in underserved segments (including B40 customer segments) through holistic management of existing customer base and increased channel footprint.
- To be Malaysia's leading converged ICT solutions provider across all business segments.
- Expand Maxis' fibre coverage in support of JENDELA to accelerate our convergence ambition in broadband offerings.

Priorities in FY2022

- Deliver unmatched personalised experience through a digital-first foundation and enhanced digital customer journeys.
- Maximise subscriber growth and customer value through unmatched digital personalised.
- Focus on delivering distribution excellence through targeting & reaching new market segments.
- Build best-in-class frontliner experience to drive value-added customer interactions.
- Deliver the best connectivity and converged solutions for all via our All-Ways Connected Network.
- Best-in-class Digital IT service provider enabling digital business and customer experience as well as leading technology innovation in Malaysia and regionally.
- Expand our data assets via advanced analytics to create new value and opportunities and embed data & AI solutions as a way of working.
- Focus on cybersecurity, strengthen cyber resilience and embed security in the organisation's DNA.

Priorities in FY2022







- Strengthen Maxis Employer Brand and External Talent Mindshare as a Tech Employer.
- Elevate Maxis to be a highly influential reputable brand that is always ahead in the market premised on credibility, trust and industry-leading expertise.
- Drive greater focus in being the industry leader in convergence and strengthen our position as industry thought leaders.
- Further empower communities through digital and social programmes by accelerating eKelas for the nation and elevating eKelas Usahawan with more partnerships with NGOs/ government to accelerate virtual participation.
- Continue our strong focus on cost management and cash flow via XLR8.



Value Creation Model

The diagram below illustrates how we utilise our business capitals to create value for our business and stakeholders. Further details of the inputs and outputs of our six business capitals are explained in the following pages.

UTILISING OUR BUSINESS CAPITALS

Business Capitals	Our Inputs
 Financial Capital	<ul style="list-style-type: none"> • RM1.2 billion total capex invested in line with our growth strategy • Focused on working capital initiatives
 Manufactured Capital	<ul style="list-style-type: none"> • More than 60 new sites and more than 3,000 site upgrades for 4G • 93% 4G LTE population coverage • More than 400 Maxis centres and 4,500 Hotlink stores • Expanded Maxis' fibre footprint to over 21,000 km, covering over 5.5 million homes and commercial premises
 Intellectual Capital	<ul style="list-style-type: none"> • Skilled technical and expert teams in all fields • Rights, licences and partnerships for Consumer and Enterprise solutions • Big data and analytics • Refreshed and refined leadership team to support convergence ambition
 Human Capital	<ul style="list-style-type: none"> • More than 5,500 Maxis colleagues serving the nation • MaxisWay 2.0 Culture Refresh continued to gain momentum in 2021 • Equipped workforce with critical business and technology skills online through Maxis Academy • Signed the United Nations Women Empowerment Principles (WEPs) and committed towards gender equality, labour rights and human rights standards within the Company
 Social & Relationship Capital	<ul style="list-style-type: none"> • Customer base of approximately 11 million subscribers • Proactive engagements with stakeholders, especially with the government and community on COVID-19 and flood relief initiatives • Engaged with regulators (e.g. MCMC) to enhance governance in areas such as service quality, data protection and integrity • Certified as Technology Solutions Partner (TSP) with MDEC
 Natural Capital	<ul style="list-style-type: none"> • Use of on grid solar system as renewable energy to power up Maxis' servers inside Data and Switch Centre • Optimised use of energy at base stations by introducing intelligent technology to reduce energy loss • Kickstarted usage of full off-grid solar system in rural sites of Peninsular and East Malaysia





CREATING SUSTAINABLE VALUE FOR OUR BUSINESS AND STAKEHOLDERS

Our Outputs	Our Value Creation Outcomes	Key UN SDGs contributed*
<ul style="list-style-type: none"> 1.9% increase in Service Revenue to RM7,980 million 2.1% increase in EBITDA to RM3,898 million 7.3% increase in OFCF to RM3,906 million 	<p>Enabling a Digital Nation</p> <ul style="list-style-type: none"> Our Consumer Products: Delivered winning mobile and home solutions through our accelerated convergence strategy Our Enterprise Solutions: Reinforced position as a trusted technology solutions provider through digitalisation of SMEs and formation of strategic corporate alliances Our Network: Provided connectivity for all through network coverage and service quality with 4G leadership and fibre footprint expansion <p> + Refer to pages 63 to 74.</p>	
<ul style="list-style-type: none"> Strong +7.5% YoY growth in overall postpaid subscribers Total Fibre connections grew by 92K, +20.7% YoY, in 2021 Partnered with Malaysia Airports Holdings Berhad and Proton as a preferred technology partner across 5G and digital transformation initiatives Winner of MCMC's 4G benchmark for 5 consecutive years 	<p>Enhancing Customer Experience and Satisfaction</p> <ul style="list-style-type: none"> Our Customers: Created superior digital experiences for our customers through enhanced digital channels and self-service capabilities <p> + Refer to pages 75 to 76.</p>	
<ul style="list-style-type: none"> More than 57% of voice traffic conducted over Voice over LTE (VoLTE) service 62% Maxis App penetration and 73% Hotlink App penetration Strong NPS of +63 Growth in Maxis online store traffic with an increase of 38% in unique visitors per month in 2021 Growth in e-commerce capabilities and presence with 5x increase in digital sales 7% increase in digital reloads and 5% increase in online payments 	<p>Empowering Our People and Transforming Our Organisation</p> <ul style="list-style-type: none"> Our People: Developed a diverse and inclusive workforce with strong employee engagement Our Digital Transformation: Transformed our systems and capabilities to enable growth in our digital and online presence <p> + Refer to pages 77 to 86.</p>	
<ul style="list-style-type: none"> 44% female representation across all levels 218 employee engagement events conducted Voice of Maxis employee engagement score of 85% More than 135,000 hours of employee blended training conducted Over 160 additional sessions conducted on health and safety More than 5,000 employees and third-party staff received training on MCOBP and MABC 	<p>Caring for Our Community and Environment</p> <ul style="list-style-type: none"> Our Community: Empowered communities through greater access to digital learning opportunities and fulfilment of our social responsibility Our Environment: Minimised the environmental impact of our operations through reduction in emissions and proactive waste management <p> + Refer to pages 87 to 93.</p>	
<ul style="list-style-type: none"> Exceeded JENDELA commercial targets Digitalised 20,000 SMEs as of 2021 through the SME Digitalisation Grant Supported more than 50,000 students and 1,000 female entrepreneurs through eKelas and eKelas Usahawan Donated to COVID-19 related community aid programmes as part of RM1 million pledge 21 scholarships awarded to support individuals in their academic aspirations 100% supplier acknowledgement of our MCOBP and MABC 	<p>Embedding Responsible Business Practices</p> <ul style="list-style-type: none"> Our Governance: Strengthened our ethical business culture through robust integrity, governance and educational programmes Our Supply Chain: Improved supply chain management through responsible procurement practices and effective communication with suppliers Our Cybersecurity: Built a stronger cybersecurity culture and enhanced system resiliency <p> + Refer to pages 94 to 98.</p>	
<ul style="list-style-type: none"> 4% reduction in total emissions Certified having the "First Off Grid Telecommunications Tower Powered by Green Energy (Solar & Wind Turbine)" Average energy consumption of 356,997 MWh per Network site Total emissions of 250,653 CO₂ tonnes 85kg of office waste recycled 		

* During the year, we conducted an internal review on the mapping of Maxis' sustainability matters to the UN SDGs. As we ramped up our sustainability management initiatives, we have direct and indirectly contributed to a total of 12 SDGs. With our increased focus on ESG, we believe that Maxis' strategic initiatives under the MAX Plan can have the most meaningful impact on our business and stakeholders.



Keeping
Families,
Friends and Individuals
All-Ways Connected



Enabling a Digital Nation

Mapping against SDGs



OUR CONSUMER PRODUCTS

Delivered winning mobile and home solutions through our accelerated convergence strategy

Maxis is a leading brand in the consumer mobile space. From our inception more than 25 years ago, the consumer business has always been the bedrock of the Maxis brand. And even as we move towards becoming a converged solutions provider and a digital-first company, we will always focus on delivering winning consumer mobile solutions.



Throughout our history in the consumer mobile industry, we have always adopted a customer-focused strategy where we listen to our customers to learn about their needs and motivations. Maxis was established in 1995 as a cellular company with mobile voice telephony as our main value proposition. Fast forward 26 years and our value proposition has evolved to encompass multiple services across different customer segments. Our investment over the years, into technology and solutions, brought our customers SMS messaging, mobile Internet, over-the-top (OTT) applications, content and fibre Internet services.

Technology and Innovation

Having observed the trend of digitalisation sweeping across the region in the past few years, we have embraced this shift as a key part of our strategy. The COVID-19 pandemic

has accelerated the pace of this digital adoption in all our lives and highlighted the value and importance of digitalisation for businesses, especially SMEs.

Creating a converged experience through Maxis Fibre and Prime

We are the market leader for elevating the home Wi-Fi experience. This was achieved by partnering with the right manufacturers that introduced the latest Wi-Fi 6-supported fibre routers which provide the best performance for the user. At the core of our consumer mobile strategy was our convergence strategy. This was seen when we introduced convergence plans for our fixed wireless subscribers, which has helped accelerate the momentum of our convergence ambitions.



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Powering digital lifestyles through Maxis Postpaid

Our core mobile product, Maxis Postpaid, continued to evolve. Our teams continue to innovate and find ways to drive the consolidation of individual user accounts through the Maxis Family Plan, thereby accelerating the uptake of digital services within the family. We also continued our focus to drive shared lines into our base and grow the size of our accounts.

Maxis is committed to 5G development in the country, and aligned with our commitment to Always Be Ahead, we are continuously building capabilities to develop accessible and premium 5G products that provide the best worry-free experience for our customers. In addition, the expansion of our Segment of One engagement platform is furthering our ambition of providing customers an Unmatched Personalised Experience by continuously delivering relevant and customised engagement.

Enabling affordable mobile services through Hotlink Prepaid Unlimited and digital services

To enhance our prepaid customer experience, we created options for customers seeking unlimited internet options via two new products - Hotlink Prepaid Unlimited, or the easy-to-manage, high-speed internet options from our new Hotlink Prepaid Internet 365.

To cater to those looking for a more affordable postpaid plan, we recently enhanced our Hotlink Postpaid plans with data quotas and unlimited talk times and texts, as well as a refreshed and expanded range of device bundles, including 5G devices.

Looking to further enrich our customers' mobile digital experience, we provided innovative and relevant digital services such as Maxis TV, direct carrier billing for Google Play and Apple App Store and the ability to purchase music streaming services using Hotlink credit.

Driving customer engagement through Hotlink Rewards & Hotlink App

Our Hotlink App not only allows our customers to manage their accounts and discover Hotlink offers and services, but also get rewarded through our Hotlink Rewards programme. This offers our customers easy ways to earn points via their daily interactions with the Hotlink App and redeem e-Vouchers and internet deals through the app.

In 2021, Hotlink Rewards continued to be popular and around 60% of our prepaid base are active users of the Hotlink App. We also continued to offer great value to our customers via tailor-made, personalised internet and reload offers through our HotlinkMU deals engine, offered through the Hotlink App. We will continue to augment more meaningful engagements and value for our Hotlink customers in the coming year.



Staying ahead of the pandemic

As the pandemic entered its second year, we wanted to do our part to help our customers and so we offered all our customers' free Internet access up to 1GB daily for productivity-related usage. This enabled many people to work and study while being at home and not have to worry about interruptions due to data quotas. In collaboration with the Malaysian government and the Jaringan Prihatin programme that provided subsidies of RM300 each, we made Internet access even more affordable through prepaid device bundles.

To make it easier and more convenient for our customers to shop a variety of offerings in both our Maxis and Hotlink online stores, we set up alternate channels. For Lazada, we set up an official Maxis and Hotlink store to support any online orders. The launch of the Maxis buy-back Trade-up programme in selected stores together with our trade-in app allows customers to find out a value for their old devices and if they want to upgrade to a newer device.



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Future Product Innovation



WiFi 6
New broadband wi-fi router - better speed and coverage to improve internet experience



Maxis TV
Unlimited TV shows with daily pass available



New Family Plan
Win over families with attractive 4 line mobile and access to fibre; accelerating account consolidation and ARPA growth for Maxis



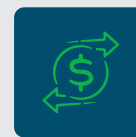
FWBB
Converged Accelerate Home Broadband penetration in non-fibre geographies



36 Months Zerolution
New device ownership model which will improve affordability of flagship devices, a market differentiator and expected device driver



Internet Security
With the rise in connected devices and online behavior, the timely introduction of Secure VPN and kids online protection will be able to protect families from threats and attacks



Maxis Trade-In Programme
Fully digital, the new Maxis trade-in programme allows customers to easily trade in any phone at attractive rates and take up a new device with us



Sustainable Business Growth

Our Zerolution ownership programme is the most accessible and affordable way to own the latest devices in the market. With zero credit card requirement and zero interest, it is a strong value proposition for the market. However, seeing the rising prices of high-end devices, especially smartphones, we launched Zerolution with a 36-month commitment period, making these phones even more accessible. Beyond smartphones and accessories, we have also extended the Zerolution programme to home appliances that complement our Maxis Fibre broadband service, including Smart TVs, gaming consoles and laptops.

To make it easier for our customers, we broadened our reach by scaling the Maxis Online Store, with more exclusive offers and partnerships, aimed at driving excitement. We strengthened our buy-back programme for devices, through our trade-in app that allows customers to extract value from their older devices while still in the comfort of their homes.

To ensure that the transition into a digital-centric lifestyle is safe and secure, Maxis established a partnership with world-renowned cybersecurity provider Kaspersky, to power Maxis Internet Security—a convenient and affordable way to have access to the best Internet Security solutions.

On the content front, we are partnering with top tier video-on-demand (VOD) content providers, such as Viu, iFlix, Mubi, iQIYI and sooka to launch Maxis TV—a video entertainment service that offers premium video content via VOD passes with free data that is affordable and flexible for everyone.

Future plans

Short-term plans

- Continue to build and strengthen the family concept - convergence to drive growth in average revenue per account (ARPA)
- Re-energise our premium segment acquisition by leveraging on network superiority (best 4G, first to experience 5G and seamless to home/ office) coupled with the best mobile and device offerings
- Expand Segment of One capabilities beyond connectivity to maximise value through convergence and solutions
- Accelerate Fibre footprint through Jendela programme and targeted greenfield through partnership to expand market share
- Create market leadership through Unmatched Wi-Fi Experience

Medium-term plans

- Achieve next major milestone of 1 million Household subscribers
- Strong #1 in Convergence (Mobile + Fibre/ FWBB) subscriber market share
- Fully automated Segment of One recommendations platform delivering an unmatched personalised experience to our customers

Long-term plans

- Undisputed leader of converged solutions for Malaysian families
- To be the leading Network Provider in Malaysia



OUR ENTERPRISE SOLUTIONS

Reinforced our position as a trusted technology solutions provider through digitalisation of SMEs and formation of strategic corporate alliances

In 2021, Maxis Business continued its growth trajectory towards becoming Malaysia’s leading converged solutions provider in the ICT sector. Scaling up our Enterprise division from strategy to market leadership required a significant investment in our ability to roll out innovative and customer-first solutions for our current and potential Enterprise customers.



Our transformation journey in business IT started in 2019 when we embarked on offering a world-class customer experience that leveraged on service automation. In the past two years, the various teams have built an end-to-end architecture stack and lifecycle management that can deliver superior customer experience as was initially envisioned, all supported by best-in-class operating models and capabilities.

Expanding our solutions portfolio through strategic acquisitions

Maxis Business has embarked on a number of strategic acquisitions to develop our capabilities to deliver on our ever expanding solutions, including cloud computing, unified communications, and managed services for our customers, underpinned and augmented by our mobile and fibre connectivity.

The series of acquisitions commenced in 2020 with the acquisition of Infrastructure Consulting & Managed Services (ICMS), a cloud solutions company with expertise

in designing and deploying large-scale enterprise systems and storage infrastructure using Microsoft solutions. It marked the outset of our strategy to accelerate Maxis towards becoming a leading converged ICT solutions provider. Maxis wrapped up 2020 with the acquisition of Audeonet (M) Sdn. Bhd. (Audeonet), further expanding our voice and unified communications (UC) solutions to boost our converged communications offerings and expand our fixed communications delivery capabilities. With the acquisition of Audeonet, Maxis is now the exclusive distributor of Deltapath in Malaysia, a global provider of enhanced VoIP telephony system, and a Gold Reseller of Lifesize, a cloud-based videoconferencing solution.

In 2021, we followed up our capability expansion exercise with two more acquisitions, first with Peering One Sdn. Bhd. (Peering One), a company that specialises in providing hybrid and private cloud managed services. This acquisition reinforced Maxis’ capabilities as a one-stop, end-to-end cloud solutions provider with a portfolio of cloud offerings



Our Value Creation Theme 1: Enabling a Digital Nation

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that addresses the full spectrum of business services. We also announced the acquisition of Mykris Asia Sdn. Bhd. (Mykris) in October 2021, adding a pool of experts comprising 70 qualified engineers and support team. The acquisition of Mykris strengthens our capability to provide managed network and managed security services with end-to-end field delivery and support, and will bolster our position in the enterprise ICT solutions market.

Empowering our people to strengthen internal capability

During the year under review, we invested heavily in the upskilling and accreditations of our people. In addition to becoming a Microsoft Gold Certified Partner, we were also the first Malaysian telco to be an Authorised Device reseller for Microsoft Surface, which required our people to be trained accordingly. In delivering Microsoft Solutions, we achieved eight Gold and three Silver competencies with accreditations encompassing cloud platforms and productivity, data centre, security, application development and integration, and many others.

We are also the first Malaysia telco again to be an AWS Solution Provider, as well as an AWS Advanced Consulting Partner, an AWS Public Sector Partner, and an AWS Direct Connect Service Delivery Partner, with an increased number of AWS Accredited and AWS Certified employees. Maxis is also a Cisco Premier Integrator and

has achieved the premier provider status for the Cloud and Managed Services Program, Meraki SD-WAN and Cisco Small Business Specialisation.

The acqui-hires in the past two years have resulted in the injection of new talent to the Maxis family. This increase in talent density bodes well for not just the Enterprise segment but the overall business as well because digital-first companies thrive on a strong talent inventory. Acqui-hires in general are hailed as accruing positively to the receiving company as it creates a cohort of new perspectives and different thinking within the organisation. This in turn sees a more innovative culture emerge that can challenge the status quo and result in new value creation.

Reaching out to the business community

The Maxis Business Digital Readiness Index 2021 had garnered more than 270,000 web sessions, 27,000 surveys started, and 7,000 completed surveys by participants who would like to be contacted to kickstart their digitalisation journey. The online tool, which is an interactive self-assessment tool, is designed to help any organisation kickstart their digitalisation journeys while benchmarking themselves against local and global peers. The strong response from Malaysian MSMEs, primarily micro-SMEs, is indicative of the potential for this industry.

7,000+ 

completed survey responses to-date*

* Completed survey responses registered until 31 December 2021.

93% 

of the completed survey responses were from MSMEs*

* MSMEs denotes Micro, Small and Medium enterprises.

We will continue to work closely with our partners in this initiative, the Malaysia Digital Economy Corporation (MDEC), the Ministry of Entrepreneur Development and Cooperatives (MEDAC) and its agency, Institut Koperasi Malaysia (IKMa).



Helping SMEs transform through the SME Digitalisation Grant

Through the government's RM500 million PENJANA SME Digitalisation Grant and our partnership with MDEC, Maxis was appointed as a certified Technology Service Provider to help companies accelerate their digital transformation journey by taking advantage of a 50% matching grant of up to RM5,000 for connectivity and business solutions. With 17 types of solutions, we have a wide range of solutions to help companies go digital in the following digitalisation areas—digital marketing, e-commerce and retail, remote working, procurement, and e-point-of-sale (ePoS). To date, Maxis has helped to digitalise over 20,000 SMEs, reinforcing our position as a trusted technology solutions provider.

To further champion Malaysian SMEs, we launched our UsahaWIRA programme that features local hero entrepreneurs that have successfully used digital tools to navigate the pandemic. The programme aims to inspire and encourage SMEs to adopt digital technologies as a business imperative by deploying content and platforms to offer valuable insights to entrepreneurs. Some of the initiatives we rolled out were a weekly six-episode series on Astro Ria, a short film and customer featurettes, bite-sized TikTok-style videos dubbed 'Tanyalah Maxis', and a full-day event featuring some of the biggest names in the industry along with successful entrepreneurs who shared their journey in digital entrepreneurship, and host multiple workshop sessions.

Retransformation of businesses with accelerated cloud conversations

Following the launch of our 'Retransformation' campaign in 2020, we continued to invest significantly in deploying this campaign to our enterprise segment. With a focus on four key technology areas—the cloud, software-defined networking (SDN), Internet of Things (IoT), and cybersecurity, this effort hopes to unleash a new growth lever for Malaysian companies while driving greater operational efficiencies, even if these companies had already adopted some element of digitalisation but had been buffeted by the pandemic.

Our Retransformation initiative was and still is based on the struggles Malaysian SMEs have had in maximising the potential of digital tools they have adopted. Many local companies have implemented cloud applications but have experienced migration struggles and a lack of talent and knowledge of cloud services, while more than half still operate on legacy infrastructure. A substantial proportion of organisations do not understand SDNs while only a fraction can claim to have end-to-end cybersecurity protection.

Our cloud narrative was augmented by the launch of Maxis' Right Cloud solution that simplifies the management of multi-cloud, and public, private and hybrid cloud models, making our offering a holistic way to retransform business organisations and infrastructures. Our on-going partnerships with AWS, Microsoft, and Cisco, were joined by new partners Commvault and VMware.



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Pioneering 5G and IoT ecosystem

Since the enterprise segment will drive much of the initial business use cases for 5G and IoT technologies, we continue to place significant importance on developing the 5G and IoT ecosystems that will power the growth of innovative products and solutions powered by 5G and IoT. We also became a member of the APAC 5G Industry Community together with the GSM Association (GSMA).

Some of the other initiatives that we concluded included establishing a 5G+AI lab in partnership with MIMOS and Huawei, forging a partnership with automaker Proton to deploy a 5G use case within their manufacturing plant, and striking a strategic partnership with Malaysian Airports Holdings Berhad (MAHB) to transform Kuala Lumpur International Airport into a 5G-enabled airport.

Reinforcing our fibre footprint

In addition to our own fibre build-out programme, we continued to expand our effective fibre footprint across both Peninsular and East Malaysia by signing fibre access agreements with other fibre owners like TM, Sacofa, Allo, and CT Sabah. Through these collaborations, we are now able to deliver the most extensive fibre connectivity across Malaysia, covering more than 5 million homes and commercial premises.

Future outlook and priorities

Moving forward, our new Maxis Business brand will continue to target SMEs, large corporations, and government and public sector segments of the market, with more vertical-specific conversations and insights to strengthen the brand positioning. On top of that, we are continuously progressing our Single-Pane-of-Glass vision in 2022 to deliver superb user experiences based on Desirability, Simplicity and Visibility. What we can expect from this transformational change is a personalised and more intimate relationship with our customers, with 360-degree customer view capabilities, which will lead to a more meaningful customer experience.

Put together, all these digital initiatives, strategic acquisitions, and capability development, have been reflected in the growth we have seen in key solution pillars up the ICT stack. We have seen many significant wins in Cloud and IoT, which shows that our business customers are confident to put their trust in the value that Maxis Business can bring to their organisations. We hope to be able to help our enterprise customers to be future-ready by guiding them every step of the way and helping them leverage the power of technology to Always Be Ahead in a changing world.





OUR NETWORK

Provided connectivity for all through network coverage and service quality with 4G leadership and fibre footprint expansion

As the leading Converged Network Solutions provider, Maxis has continued to not only expand its network coverage footprint and indoor reach, but has also invested in enhancing its service quality and state-of-the-art capabilities to ensure our customers enjoy reliable connectivity and an overall Unmatched Personalised Experience always. We are leveraging technological innovation and aggressively powering our digital transformation to stay ahead and to deliver on our ambitions. In the year under review, we invested close to RM1.2 billion of capex to upgrade network sites, enlarge our fibre footprint and build converged solutions.

To be able to effectively serve our subscribers, comprising of 12.4 million subscriptions in Mobile and Fibre services, we have dedicated functions covering all aspects of network growth, services, operations and maintenance for timely delivery of businesses enablement and meeting our promise in best customer experience. Given the critical importance of network planning and optimisation, we have put in place investments to ensure that we remain as an industry leader in network coverage and service quality. All the network design principles are tuned to exceed the minimum requirement of MCMC's Mandatory Standard Quality of Service while the internal processes are periodically reviewed and enhanced, in accordance with our ISO9001:2015 certification and digital transformation initiatives.

Unmatched converged network experience

Maxis has continued to uphold our commitment of enhancing both mobile and fibre services, following the momentum gained from the droves of consumers and enterprises switching to a largely digital-first behaviour in 2020 because of the pandemic lock-down. To ensure we continue delivering the best experience, Maxis has invested substantially in building and upgrading sites to meet the growing needs of our customers. This been necessary, especially during a time when connectivity, speed and stability helps to assure the zero business interruption, retaining productivity, and continuous education for the many who are working and learning from home.

In 2021, we accelerated our network capacity upgrades to keep up with the surge of network traffic while maintaining our Mobile network leadership. We also continued to deliver consistent customer experience as a leader in 4G download speed since 2016 as reported by the MCMC. The success in retaining our Mobile services superiority is also anchored with our advanced transmission high speed microwave and wide deployment of fibre hence enhances on the resiliency of our network, ensuring for a continuous and Always On experience.

In line with our converged network ambitions, we have expanded our fibre transmission to 21,000 km. This expansion, plus the extensive reach of our fibre access agreement has enabled us to grow our Home subscribers to more than half a million subscribers, with 92,000 subscribers added in 2021 itself. Besides the successful marketing programme, we also trust that the healthy growth of Home is in part due to the improved customer experience contributed by our LTE back-up dongle for seamless and zero interruption, hence, delivering the Always On experience.

Our Network Leadership Highlights



4G Leader in 4G download speed (as per MCMC report)



92.3% Speed data samples above 3 Mbps



93.5% 4G LTE Population Coverage



57% Voice traffic conducted over VoLTE



21,000 km Expansion of our fibre transmission



530,000+ Subscribers for Home and Business Fibre



2,500 site upgrades for JENDELA



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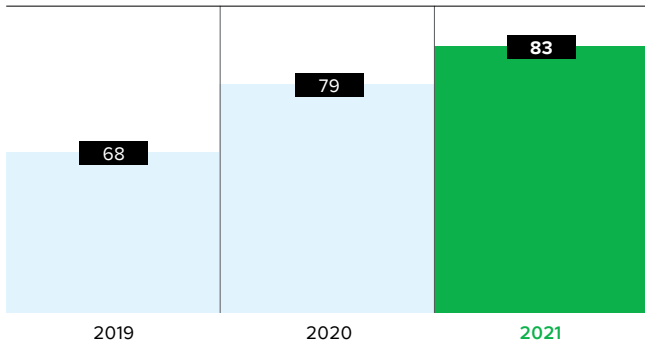


We have also seen encouraging progress in our Voice over LTE (VoLTE) service since its launch in the fourth quarter of 2020. VoLTE enables customers to enjoy a better voice experience with better connectivity. The growing traction has led to the number of active subscribers surpassing our 2021 target, with more than 57% of our voice traffic being conducted over VoLTE; highest in traffic enjoying premium voice experience.

Maxis is also proud to report that we actively contribute to nation-building through our support of the Jalanan Digital Negara Plan (JENDELA) initiative, which is targeted at improving infrastructure to meet the need for higher quality fixed and mobile connectivity for all Malaysians. Maxis continues to cooperate with the industry regulator and other Malaysian telcos to make connectivity a basic utility. In 2021, we completed more than 2,500 site upgrades to support JENDELA.

In addition, and as part of the JENDELA initiative, we are pleased to highlight that we are near to complete in the implementation of the 3G sunsetting directive announced by the MCMC. In 2021, Maxis embarked early in the beginning of the year to communicate and engage with our customers on the impending 3G sunset to ensure customer experience impact is kept to minimal. We started ahead of the industry to reduce 3G connectivity progressively and carried out state-wide shutdown in the last quarter of 2021 and 1st quarter

Service Delivery NPS*



* NPS scores from our Enterprise customers.

2022. This initiative has allowed us to repurpose the 3G spectrum for 4G usage and has enabled our customers to experience better overall connectivity.

Supporting local business

The Network team continues to support large businesses and small-and-medium enterprises (SMEs) through a suite of connectivity and managed services solutions. In 2021, we demonstrated our strong delivery capabilities by successfully producing Software Defined Wireless Access Network (SDWAN) solutions, Bandwidth Leasing and Managed Internet of Things (IoT) solutions, which were deployed to large Malaysian clients. We were also the first to offer Private LTE offshore solutions to our customers.

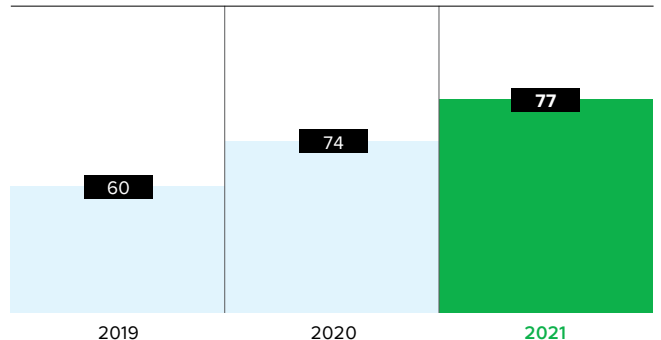
In enabling and supporting our Business Growth converged ambitions, the team is very proud of its Software Defined capable Maxis Programmable Network (MPN) which allows for agility, scalability, visibility ease of customisation and adaptation to requirement with security for our customers. Leveraging on this capability, we are the first telco in Malaysia to offer services such as Bandwidth on Demand (BoD) to businesses.

As an enabler to the Always On proposition, our solutions also benefit on the resiliency of our Network from advanced IP transmission to seamless fail-safe backup of LTE network of our solutions, ensuring that businesses and consumers alike are able to enjoy uninterrupted connectivity.

To support future needs, we have initiated 5G proof of concept (PoC) demonstrations for Malaysian companies. We believe 5G will be the enabler for Business converged solutions as it will provide a competitive advantage through higher speeds, low latency, network slicing and prioritisation options.

Our unrelenting pursuit of service excellence enabled us to maintain and achieve an excellent Net Promoter Score (NPS) of 81 for Service Delivery and 77 for Managed Services in 2021.

Service Management NPS*





Digitalising our Network

In line with the digital transformation Maxis has embarked on, the Network team has also leveraged digitalisation and adopted various technologies to improve the effectiveness and efficiencies of our network design, processes and operations. The team is exploring, developing and applying more use cases related to Artificial Intelligence (AI), machine learning (ML), Robotic Process Automation (RPA) and Advanced Analytics to enable autonomous operations of our Network. Through this initiative, we have been able to improve on our fault detection and prevention through predictive capabilities of the smart system.

We were also able to improve the customer experience with proactive fault notifications, reduced downtime and provide a shorter service impact analysis (translated to faster resolve of service disruption).



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2021 Flood Network Impact & Recovery



Maxis initiated and executed several proactive measures in 2021 in preparation for the year end monsoon season. This included:

- 4 boats for use during floods located in Pahang (2), Johor (1) and Penang (1); complete with flood mitigation simulation exercises with the relevant authorities
- Deployed generators as standby to 49 sites in anticipation of prolonged power disruptions during floods based on previous years' experience
- Mobilised additional contractor support in strategic locations prone to floods
- Installed snorkel on Maxis vehicles to enable mobility in flood-impacted areas or roads
- Prepared 55 portable generators nationwide ready-for-mobilisation from all key bases (Central-11, Eastern-10, Northern-12, Southern-9 and East Malaysia-13)



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Although we were prepared for the monsoon season, specifically on the East Coast of Malaysia, like the rest of the nation, we were caught by surprise by the unexpected severe flooding impacting other states, namely Selangor, Negeri Sembilan and Kuala Lumpur.

Despite this, the impact to our Network was manageable resulting from our enhancement of the network's infrastructure robustness such as transmission redundancy for collection sites, strengthening of our battery back-up and minimising the number of interdependent sites (to the collection points) hence making the network to be more resilient.

The peak of the disaster was between 18th to 20th December 2021 with sporadic locations thereafter until 5th January 2022. The event caused both Mobile and Fibre service disruptions which were contributed by Tenaga Nasional Berhad (TNB) essential power shutdown and road closures. The floods also impacted our Enterprise customers, but more than 90% were recovered by 31 December 2021. The remaining were related to premise clean-up and replacement of faulty devices submerged during the flood.

Maxis teams and our vendors were instantly mobilised to address the network disruptions. Service Operations Center also immediately set up an Emergency Disaster Warroom, that ran 24/7 throughout the period, to manage customer communications as well as providing daily updates to MCMC as well as periodic status update through SMS broadcast and daily emails to Maxis management on the restoration progress.

To ensure fast recovery, Maxis Field Operations worked around the clock to explore alternative access to impacted sites and obtain parts replacement for damaged equipment. Additionally, the team deployed portable and mobile gensets to sites experiencing prolonged power shutdown. Maxis also worked closely with industry players in genset sharing together with Fire Services Department (Bomba), TNB, National Security Council (MKN), NADMA and MCMC for access arrangements to affected sites. The majority of affected mobile sites were recovered by 27 December 2021, whereas fixed network collection points (OLTs) connectivity on TM-HSBA access was recovered by 31 December 2021.

Enhancing Customer Experience & Satisfaction

Mapping against SDGs



OUR CUSTOMERS

Created superior digital experiences for our customers through enhanced digital channels and self-serve capabilities

At Maxis, we are deeply committed to always provide an “Unmatched Personalised Experience” (UPE). It has always been our guiding principle to always put the needs of our customers at the heart of everything we do, delivering a customer-first experience, which enables us to proactively serve the increasingly digital lifestyles of our customers.

In the year under review, we strived to expand our UPE philosophy across even more customer touchpoints. This was even more relevant as the pandemic persisted into its second year and the pace of digital adoption amongst our customers accelerated. As the connectivity service provider, we knew we had to provide more accessibility to our services, while enabling even more channels like modern trade, online, and e-commerce stores. These are some initiatives that we implemented in 2021:

- ① Enabled in-store customers to continue their purchase journey online via the Maxis Online Store.
- ② Expanded our digital presence through the Maxis Online Store as well as through partnerships with e-commerce marketplaces.
- ③ Leveraged the digitalisation agenda amongst retail SMEs to cross-sell Maxis Smart Retail solutions.
- ④ Provided in-store flash offers and promos using QR codes.
- ⑤ Activated all distribution touchpoints including MAXbot to allow customers to access Jaringan Prihatin Programme for the B40 segment.
- ⑥ Partnered with Malaysian Digital Economy Corporation (MDEC) as a Technology Service Provider driving government initiative through Ministry of Finance (MOF) for the SME Digitalisation Grant under Budget 2020, bringing the SME Grant to our SME customers, with QR code and WhatsApp fulfilment.



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Our Value Creation Theme 2: Enhancing Customer Experience & Satisfaction

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Accelerating digital engagement and customer care to support our customers during this difficult time

As the pandemic drove an acceleration towards digitalisation, we were able to mobilise our existing infrastructure to cater to the rapid shift in customer behaviour and be nimble enough to respond to their changing needs. The net result of transforming the way we deliver our value chain to the market has fundamentally made us a more agile and digital company.

Our online platforms, banking and e-wallet partnerships have helped grow digital payments and reload adoption. For a digital approach to customer care, we deployed MAX, our chatbot that manages conversations with customers through WhatsApp, Visual Interactive Voice Response (VIVR), and a fibre self-diagnostic tool to self-manage and optimise Maxis Home Wi-Fi performance. These initiatives contributed to the growth of the Maxis online store traffic, with our unique visitors per month increasing by 38% in 2021 as compared to 2020.

It has fundamentally transformed the way we do business and how we engaged our customers and it has proven to be extremely useful during the pandemic in ensuring our business continuity. We continued to accelerate our efforts to increase the pervasiveness of digital in all areas of sales and service through enhanced and new technologies.

Entrenching a winning customer culture

Maxis places top priority on the “Customer First” culture, as we continue to institutionalise the culture of giving our customers the best experience at every single touchpoint. We took advantage of our robust closed-loop feedback strategy and took a 3-prong approach that revolves around our people, processes, and systems:

People

The inner loop drove continuous coaching, our campaigns uplifted promoters and the CX Summit created company-wide engagement and awareness.

Processes

The outer loop drove continuous improvement driven by customer insights, with the goal of simplifying user experiences.

Systems

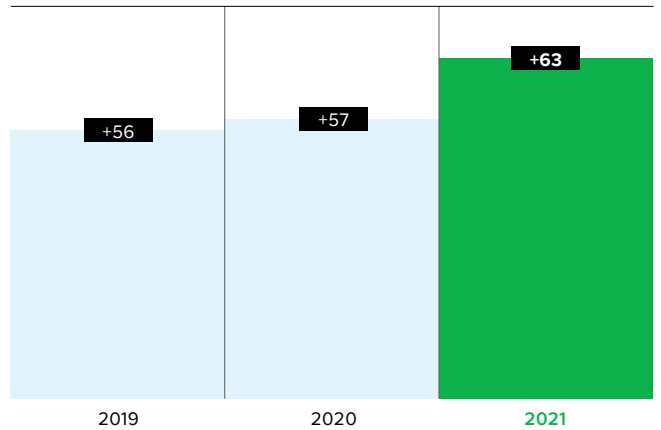
Customer feedback surveys with real-time analytics enabled company-wide CX closed-loop culture and accelerating feedback-led innovations.

The Maxis CX Summit aims to continue bringing in new CX (Customer Experience) ideas, trends and the latest CX digital solutions as an inspiration to Maxis employees. In 2021, the event was held over 3 days and included panel sessions, virtual expos, CX “ideas challenge”, and the MaxisWay Awards ceremony to recognise and celebrate the outstanding achievements of our employees who have exemplified and demonstrated our MaxisWay values.

The programmes, including the Customer First and Best Contact Experience, which at its core are aimed at elevating the customer experience, have enabled us to consistently deliver UPE and maintain high Net Promoter Scores.

Net Promoter Score (NPS)

Maxis continues to deliver strong NPS scores because of our closed loop feedback culture and the digital empowerment of our customers.



Enhancing customer experience and satisfaction in the future

Going forward, we aim to continue to provide Unmatched Personalised Experience, and with it enabling Maxis to grow customer value as they utilise more products with us and add new subscribers delivering an exciting omnichannel experiences and driving digital care adoption to differentiate ourselves as the leading brand.



Delivering Distribution Excellence



Maximising Customer Lifetime Value



Unmatched Personalised Experience

Empowering Our People and Transforming Our Organisation

Mapping against SDGs

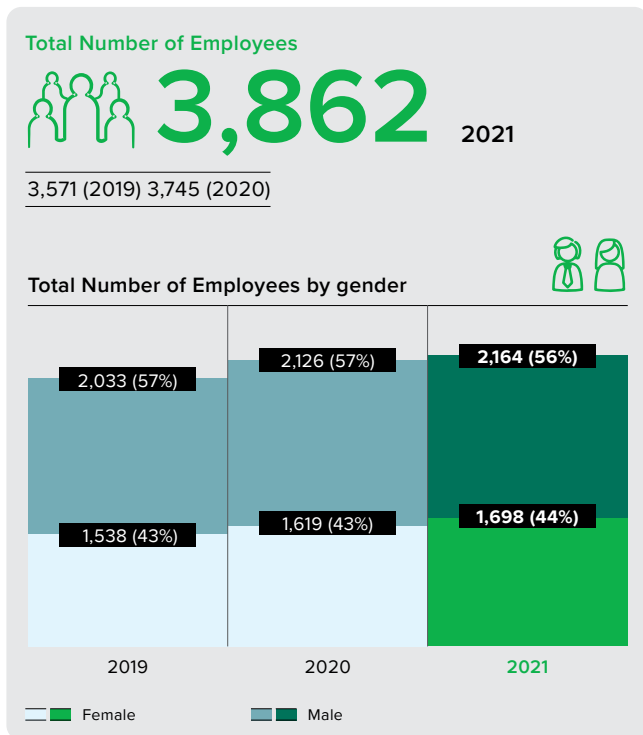


OUR PEOPLE

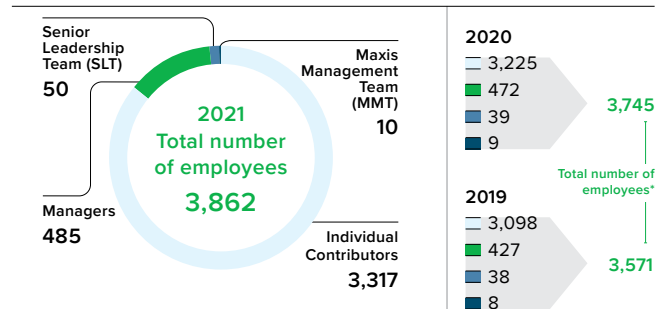
Developed a diverse and inclusive workforce with strong employee engagement

The old adage, “Our people are our best assets” may sound cliché but it is nonetheless true. At Maxis, we have always recognised this and have strived to bring out the best in our people and ensure that they share a vision to always be ahead in all that we do. This section covers our efforts to maintain the right culture, right workplace for our employees – to ensure they work in an ethical, diverse and equal workplace.

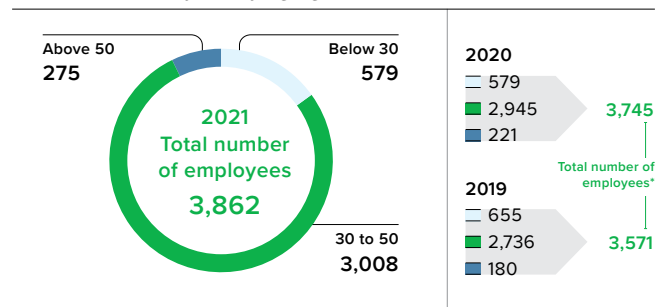
Maxis' Employee Profile*



Number of employees by contribution level



Number of employees by age group



Number of employees by contract type

Year	Female employees				Male employees			
	Permanent		Contract		Permanent		Contract	
	No. of employees	Percentage	No. of employees	Percentage	No. of employees	Percentage	No. of employees	Percentage
2019	1,480	41%	58	2%	1,905	53%	128	4%
2020	1,565	42%	54	1%	2,005	54%	121	3%
2021	1,674	43%	24	1%	2,117	55%	47	1%

* The 2019 and 2020 figures for total number of employees have been reinstated for greater accuracy following an internal data review.



Employee Development

At Maxis, the development of our employees is a key priority which we take seriously as we believe in creating value through the growth of our own people. Led by our Learning & Development team, our approach is a holistic one that considers learning needs, individual development plans to drive career growth and retention, and the embedding of our culture and values.

Enhancing Organisational Culture and Capabilities

We continue to equip our workforce with critical business and technology skills through Maxis Academy, our online platform which was especially important during movement restrictions when employees were working from home. In 2021, our employees across all levels attended more than 135,000 hours of training comprised of courses and modules in the four key areas of Leadership, Business, Technology and Compliance.

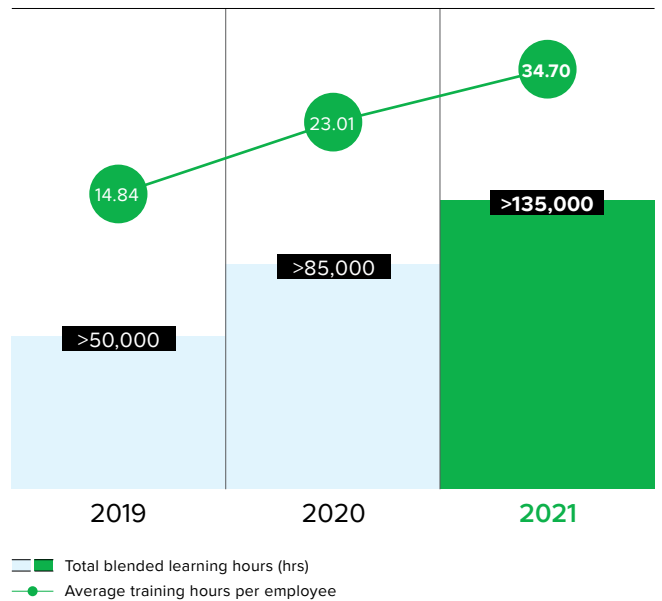
To ensure more structured and robust succession planning, we also started our integrated talent development programme for high-potential employees, for both managers and individual contributors. In addition, we have implemented a Women in Leadership programme for our female middle managers to equip them with the requisite knowledge and skills for leadership positions.

We encourage internal applications and movements within the company to provide growth opportunities and enable the development of talent. To close the feedback loop and further elevate the performance of our talents, we conduct regular performance and career development reviews with our employees.

Looking ahead, we are working on institutionalising coaching as a culture in Maxis and improving our learning and development capabilities with the eventual aim of

turning Maxis Academy into a learning and development solution with industry-leading practices and services.

Employee Learning Hours



Number of employees receiving annual performance feedback

Year	Total number of employees receiving annual performance feedback*	Total number of employees	Percentage (%)
2019	3,425	3,578	96%
2020	3,656	3,770	97%
2021	3,749	3,916	96%

* Annual performance feedback has a dependency on employees' joining date with Maxis, and includes employees who left the company throughout the year.



Accelerating the Development of our Top Talents & Leaders

We conducted tailored development programmes for the senior leadership to enable them to better lead the company to achieve our converged ambitions, including immersive learning experiences, learning programmes from top business schools internationally and upskilling them through executive coaching programmes. To support our inclusion & diversity efforts, we have also conducted multiple Unconscious Bias workshops for Managers, up to the MMT level, to minimise biases within the hiring process and other work-related environments.

We also help our top talents realise their potential through the Future Leaders’ Programme and Break Through Thinking Machine programme, where high potential employees across the company were exposed to an interactive and curated development programme to enable them to excel in their current roles and develop towards future opportunities within Maxis.

Maxis Academy has also curated specialised academies, such as the Marketing and Procurement Academy to respond to the tailored business needs within Maxis. On top of all this, we offer learning courses in four development areas – Leadership, Business, Technology and Compliance, where all employees, regardless of age, gender or career level, are able to register and attend both live and pre-recorded sessions on various topics to fulfill their aspirations for growth.

Culture and Transformation

The MaxisWay 2.0 journey has continued to gain momentum in 2021, as we further embed the values and culture as well as the behavioural traits that will help drive our transformation. For instance, we launched a culture playbook, which serves as a single source of knowledge for our employees, business and strategic partners, and other stakeholders to better understand our culture and how to practice them in their daily interactions. The playbook also demonstrates real-life scenarios through visuals and videos to enable our employees and external stakeholders to visualise the MaxisWay 2.0 values.

Voice of Maxis



We also encourage an open culture through our Transformational Leadership Programme, where we encourage our leaders and people to practice generous listening and straight talk with one another, to create authentic conversations that forward the action to make meaningful changes and improvements within the organisation.





Equal Opportunity Workforce Employment

Deepen Workplace Inclusivity and Transparency

At Maxis, we are committed to providing an inclusive, diverse and collaborative environment for our employees where they are empowered to create a positive impact for themselves and others. Through the Maxis Code of Conduct, we promote equal and fair treatment of all employees and do not condone any form of discrimination, harassment and intimidation. We comply with all related laws, recognise and promote diversity and inclusion.

We have established a function within the People & Organisation division whose responsibility is to drive the Inclusion and Diversity (I&D) agenda at Maxis. To create further awareness internally, we introduced the Unconscious Bias training programme for people managers, which contains modules to minimise bias in the hiring and talent management processes.

In July 2021, Maxis officially became a signatory of the Women Empowerment Principles (WEPs) established by the United Nations, and is committed towards gender equality, labour rights and human rights standards within the company. As part of this commitment, Maxis works collaboratively with its stakeholders to foster business practices that empower women and encourage equal opportunities at the workplace.

While we maintain a healthy female population within Maxis at 44% in 2021, we are also driving greater changes towards an inclusive and equitable workplace throughout the organisation. Our female employee resource group – Women at Maxis (W@M), has been active in organising various outreach activities with other women employee resource groups from the tech industry to share their respective experiences and create greater awareness on gender equality. To further demonstrate our commitment towards inclusivity, we not only celebrated International Women’s Day, but also commemorated International Men’s Day for the first time in 2021, with curated discussions and workshops about men’s health. At Maxis, we recognise the importance of diversity and strive to build on our current efforts to create further awareness and an environment that embraces equal opportunities.

Sustainable Employer Branding & Talent Acquisition Practices

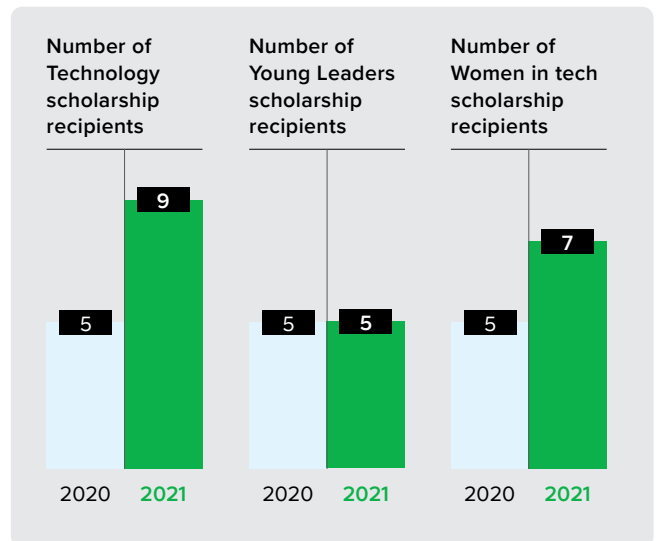
As a leading employer in Malaysia and an organisation that is committed to providing employment opportunities to all, cultivating strong employer branding and sustainable talent acquisition practices are crucial components of our people practices.



To this end, we are particularly focused on developing our visibility in the undergraduate space as well as among those who just graduated through our Young Talent campaigns and initiatives, such as the Maxis Graduate Programmes and the Maxis Scholarship.

In 2021, Maxis launched seven new Graduate Programmes for positions across various divisions and successfully recruited 23 graduates through the programme. In addition, through our scholarship offerings, we have provided aid to selected individuals who are in need and have demonstrated potential. Since 2020, the Maxis Scholarship is offered to students in three different segments, namely: Tech, Women in Tech and Young Leaders.

Number of Recipients for Scholarship Programmes





Our employer branding efforts have paid off as we continue to chart strong growth across our social media touchpoints and garner recognition at various employer recognition awards. In 2021, our social media accounts reached new levels of positive growth in terms of followers and engagement rates.

Maxis also supports the Malaysian government’s youth building initiatives through the Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) programme. Through this programme, we provide relevant industry and entrepreneurial training to develop the Malaysian youth and realise their potential.

We also practice inclusive hiring practices, with the embedding of our focus in inclusion and diversity within every job description. To encourage talent mobility within Maxis, we launched the #AskRecruiter campaign, which consists live sessions where we interact with internal employees who are interested in exploring the various step-up opportunities within the organisation to fuel their career growth.

As part of our I&D initiatives, we have also launched the hiring etiquette policy and a refreshed interview assessment, with the aim of integrating the skill-based and performance-based hiring, while minimising the potential biases within the hiring process, such as age and gender. We also introduced additional employment models to provide additional flexibility to our people, while concurrently meeting business hiring needs.

The recognitions we gained in 2021 include:

★
Champion under the Telecommunications category and #7 in Overall Rating in the Graduates’ Choice Awards (GCA) 2021. This is an award that is based on a survey of Malaysian graduates in more than 100 higher education institutions nationwide.

★
First Runner Up in the Telecommunications category and climbed up 11 places in the overall category, from #59 in 2020 to #48 in Malaysia’s 100 Leading Graduate Employers Award 2021 conducted by gradmalaysia.



Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation

Our Value Creation Outcome

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Engaging the Best Talent in their Fields

In 2021, our Employee Experience team focused on improving employees' wellbeing and finding new digital ways to engage employees and increase morale. A key highlight of our digital engagement solutions was the virtual townhall which was held in a virtual Maxis campus and allowed employees to interact digitally. Other engagement activities that were organised included an online inter-division eSports tournament, online standup comedy performances by known entertainers, online fitness activities, health and wellness webinars, comprehensive virtual onboarding sessions for new hires and more. In total, we hosted 218 engagement events for all employees throughout 2021.

This year, with the continued pandemic and subsequent lockdowns causing a significant shift to working-from-home arrangements and isolation from the usual office environment, we doubled down on Maxis' existing Pillar of Support Initiative (POSITIVE) by providing personalised, curated bite-sized articles, webinars and talks facilitated by mental health practitioners and professionals, as well as providing mental health first-aid training to our core crisis management team.

We have also refreshed our employee benefits available through the Maxis Benefits and Rewards (MBR) programme in 2021 to provide increase flexibility and personalisation to each of our employees according to their different lifestyle needs regardless of career level. In responding to the pandemic, we introduced Work from Home and COVID-19 related support, including financial assistance for employees to set up their respective home offices and purchasing other Work from Home essentials, such as monitors, ergonomic chairs and desks, and other technical appliances. In line with our approach of encouraging employees to take ownership of their health and lifestyle,

we have introduced new elements within our health-related employee benefits, such as allowing time-off for vaccination and health screening.

In 2021, Maxis also gave employees the option to upgrade their Medical and Life insurance on a voluntary or opt-in basis with premiums offered at a discounted rate. Other benefits include dental, health screening, tele-medicine and tele-consultation healthcare services through our employee benefits programme and Maxis POSITIVE initiative.

To sustain the organisation's ability to perform at a high level, we pioneered a company-wide Planned Shut Down, where all offices, aside from our retail footprint were closed to encourage our people to rest and rejuvenate as part of our commitment towards our employees' health and wellbeing.

Health, Safety and Environment

Maxis is committed to protecting the health and safety of our people. To ensure this, the company maintains a strict compliance to policies and protocols in the areas of Health, Safety and Environment (HSE), which falls under the jurisdiction of the HSE department. The department takes charge of all aspects of occupational health and safety in Maxis. In addition, HSE reports are submitted to the Audit and Risk Committee on a quarterly basis.

COVID-19 Response

In 2021, vaccination against COVID-19 has become a key objective of our COVID-19 management strategy. This involved the team actively planning, sourcing, tracking and monitoring the various vaccination programmes for employees and third-party contractors, as well as dependents and vendors. Through our sustained efforts, Maxis was able to provide vaccinations through public and private sources to safeguard our people against the pandemic. Through these efforts, we managed to fully vaccinate our retail employees, with periodical testing, to make the customer experience with Maxis as safe as possible. The company's internal procedures and SOPs to manage our response to the pandemic are aligned with the practices from the Ministry of Health, National Security Council (NSC) and the Department of Occupational Safety and Health (DOSH).

HSE Training and Awareness

Amidst the backdrop of a continuing COVID-19 pandemic, the company sought to make sure that our people are well-versed with safety protocols. In line with this, Maxis launched its first e-learning module containing enhanced COVID-19 and Return to Office (RTO) procedures. The Occupational Safety and Health (OSH) Coordinators certification programme by DOSH was also introduced to provide the necessary training and competencies to minimise risk of harmful incidents, cultivate the health and safety at the workplace and other OSH-related responsibilities.



To ensure the overall safety of our team, our employees received training to develop an array of skills pertaining to the areas of HSE. These include trainings in the areas of Defensive Driving, Working at Heights and Occupational First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training.

As a company, Maxis is in extensive field operations that spans across several locations. Hence, ensuring our employees are equipped with occupational first aid skills is essential. Apart from CPR skills, designated employees were also trained to use the automated external defibrillator (AED) while at the premises, as well as to

conduct basic first aid response to manage emergencies while awaiting professional medical assistance.

For employees working on towers and rooftops, we provide Working-at-height (WAH) training course to equip them with safe work techniques which involve safe climbing and work-technique practices.

Throughout 2021, we provided a wide range of training on health and safety, inclusive of the RTO e-learning module to more than 6,000 participants, including employees & third-party contractors.

Employees and third-party contractors that received training on Health and Safety

	2019	2020	2021
Workforce Participation (WSC)/ Awareness Programme (General and specialised induction, Safety and Security Day, planned & ad hoc briefing for partners or vendors)	1,637	8,003 (inclusive of RTO e-learning module)	6,136 (inclusive of RTO e-learning module)
Number of employees and third-party contractors that Received Training for Defensive Driving Training (DDT), WAH and CPR	14 sessions / 172 participants	5 sessions / 54 participants	9 sessions / 123 participants

Training Programmes on Health and Safety

	2019	2020	2021
Number of training programmes conducted	91	176	166
Percentage of completion by employees and third-party contractors who perform high-risk work/ require specialised training	100% completion	100% completion	100% completion

HSE Certifications

In 2021, Maxis implemented several initiatives to enhance its existing health and safety certifications. These are in line with the goal of continuous development in Occupational Safety and Health. In August 2021, the current Occupational Safety and Health Management System (OSHMS) certification, Occupational Health and Safety Assessment Series (OHSAS) 18001 and Malaysian Standard on Occupational Health and Safety Management Systems (MS 1722) were recertified and migrated to the world's first International Standard OSHMS, the ISO 45001.

The pandemic did not prove to be a deterrent to ensuring the implementation of ISO recertification. Despite the nationwide Movement Control Order and National Recovery Plans, we have utilised technology and digital tools to conduct virtual audits and training. This enabled the various departments across Maxis to be successfully recertified and concurrently migrate to MS ISO 45001: 2018.

This latest ISO 45001 scopes (Provision of Telecommunication Operations and Services for Maxis Broadband Sdn. Bhd.) is an enhanced scope that covers all telecommunication services. Maxis has now achieved 100% certification in terms of required employees to be accredited with the ISO 45001 certification.

This requirement extends to our partners under the Partners HSE System Audit, who are required to have a minimum audit criteria of OSHA 1994 and ISO 45001 to ensure that our partners also comply with the basic requirements for HSE. Our main partners are expected to attend the Maxis Partners' Forum twice a year.



HSE Risk Management

As part of our Occupational Safety and Health Management System (OSHMS), Maxis works collaboratively with various parties to identify hazards and risks via the company’s Hazard Identification, Risk Assessment and Risk Control (HIRARC) procedure. In addition, we abide by the DOSH Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NAPODPOD) Regulations 2004 as well as our own MPHSE 10 – Incident Investigation, Non-Conformity and Corrective Action procedure. Furthermore, Maxis works closely with DOSH and is part of the working committee that collaborates with DOSH to develop and enhance the generic HIRARC for the telecommunication industry.

HSE Performance

Due to the restrictions set by the MCO & NRP, we successfully implemented both physical and virtual inspections and investigations in Maxis. Both methods are accepted by DOSH and the National Institute of Occupational Health and Safety (NIOSH) in the current pandemic environment. When conducting our inspections, our HSE personnel look for compliance with SOPs, housekeeping, employees’ understanding of the requirements as well as the company’s compliance in ensuring that our employees are working in practicably safe conditions.

HSE Inspections/ investigations/ audit

	2019	2020	2021
Number of inspections/investigations conducted	303	300	705
Number of Partners System audits conducted	5	12	12

We were fortunate that there were no employee or contractor fatalities reported in 2021.

Lost-Time Injury

As of 31 December 2021, there were three (3) work-related injuries, resulting in a Lost Time Injury Frequency Rate (LTIFR) of 0.26 in 2021.

A Lost-time Injury (LTI) is the term used when a Maxis employee is injured while conducting a work-related task and is unable to perform his or her regular duties for a period of time after the incident. Lost-time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurred while conducting work-related tasks for Maxis, per 1 million hours worked.

- One employee sustained minor lacerations to the right elbow, right hand and right ear due to a road accident on a company vehicle while commuting to the worksite.
- One employee sustained minor injuries due to a road accident on motorcycle while commuting to a customer’s house.
- One employee sustained minor injuries to her right foot while stepping down from a stepladder after checking the inventory stocks in the retail store.

The outlook for Maxis in terms of health and safety will encompass three stages. Within the next two years, the plan is to maintain the ISO 45001 certification and to focus on ergonomics and occupational health programmes. The goal is also to obtain a fully digital Permit to Work (PTW) system. In the medium term, which covers 2 to 5 years, the objective is to enhance the ISO 45001 while looking at a specific work scope as well as ergonomic and occupational health. In the long-term, which goes beyond 5 years, the plan is to further enhance the ISO 45001.



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OUR DIGITAL TRANSFORMATION

Transformed our systems and capabilities to enable growth in our digital and online presence

At Maxis, our digital transformation agenda continues to gain momentum as it enables us to capture new business opportunities and drive new customer behaviours through digitalisation, both of which are incredibly important value creation outcomes.

Our MAX Plan has digitisation at its heart, and to that end, we are embedding digital into every business division as well as establishing a central digital transformation function to govern and coordinate efforts across the entire organisation, we have been able to progress digital initiatives holistically and effectively to build business agility across the organisation. To unlock the most value, our digital transformation as part of the broader MAX plan is not only limited to providing customers an Unmatched Personalised Experience but is also geared towards uplifting and empowering our people with the digital tools and ways of working they require to achieve deliver this value proposition.

FY2021 Performance

In the year under review, Maxis has continued to capitalise on the strong digital-adoption mindset that was driven by the COVID-19 pandemic. By enhancing the capabilities of our digital channels, especially in the context of acquisition and servicing, we have seen significant growth in digital payments and sales, as well as a larger proportion of our customers opting for self-service. In comparison to 2020, we have observed the following impact through our digital channels:

Maxis was able to accomplish these stellar results by enhancing our e-Commerce capabilities via our Online Store, empowering customers and agents with digital capabilities, leveraging on the Agile way of working and utilising analytics to produce effective differentiation outcomes.

As an important sales channel for Maxis and a key engagement touchpoint, we continue to enhance capabilities and add new features to the Online Store. Powered by digitalisation and infused with Agile ways of working, we have made it more convenient for customers to obtain products from Maxis as well as automating the targeting process of customers at various stages of the sales cycle and expanding digital customer acquisition through strategic partnerships with other superapps.

We also empower our customers and agents, while accelerating the adoption of digital channels, by enhancing self-service capabilities and redirecting voice calls to our mobile app with the use of Virtual Interactive Voice Response. The creation of the MAXBot has also helped absorb tasks such as addressing basic transactions, and during the pandemic, performing eligibility checks for Jaringan Prihatin Programme (JPP) subsidies and SME grants.

To further differentiate ourselves, Maxis applies advanced analytics powered by AI to produce insights that enable complex decisions to be made quickly. In practical terms, this has allowed us to support product sales as we have identified the right product mix to be pushed to customers through the right channel and the right messaging. In addition, it also enables proactive engagement by predicting the likelihood that a customer is ready to engage, either for purchase or care. This then unlocks greater efficiency as routes to value become more optimised over time and uncovers new trends and business opportunities that are hidden within large volumes of data.

Growth in Digital Payments

Digital Reload mix increased by <h1 style="margin: 0;">7% points</h1>	Online Payment mix increased by <h1 style="margin: 0;">5% points</h1>
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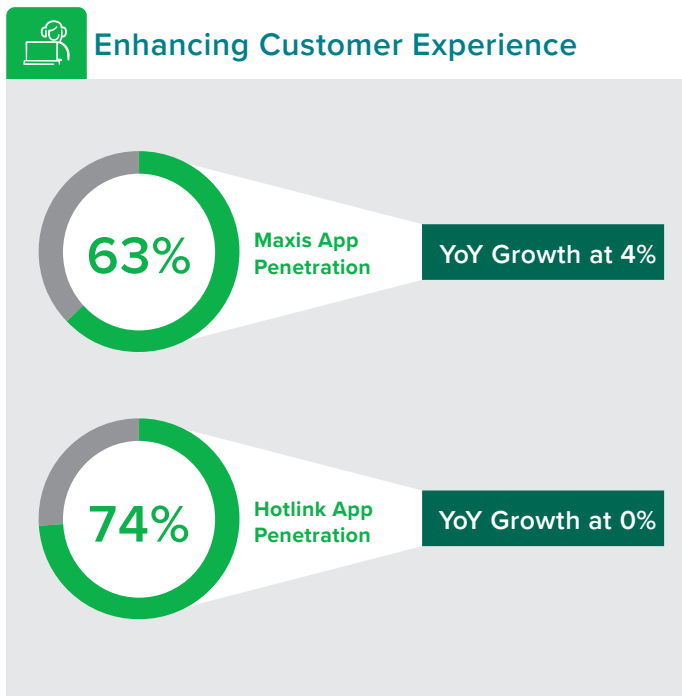
Growth in Digital Care mix by 12% points

Growth in Commerce – a 5x increase in digital sales



Behind the scenes, the people of Maxis have fully embraced the agile way of working to produce meaningful business outcomes. For example, our Digital Channels Tribe, effectively a cross-functional team, focuses on delivering consistent improvements to digital channel capabilities to enable positive business outcomes. This is a process that we also seek to replicate and scale across the organisation with more cross-divisional participation to deliver on new areas of opportunities.

To ensure our growth in digital remains sustainable, we are committed to investing in capability and capacity building, especially in the necessary certifications that will support our aspirations. In the year under review, Maxis has invested for our employees to obtain certifications in Agile/SCRUM, Amazon Web Service (AWS), ITIL, Microsoft Azure and many others. Maxis also continues to collaborate with various hyperscalers in digital, data and cloud as they support our digital transformation journey. This includes partnerships with AWS, Microsoft and Google.



Outlook

We aspire to be the leading converged solutions provider enabling digital businesses as delivering Unmatched Personalised Experiences, as well as the leading technology innovator in Malaysia and the region. This is in line with our long-term goal of providing 100% of our offerings As-a-Service, enabling zero touch operations, achieving 100% digital customer self-serve and shifting 100% of business IT applications and infrastructure to the cloud.

We believe this can be accomplished through sustaining our efforts in digital transformation and pursuing the addition of modern Digital IT capabilities, automation, AI and analytics as well as new platforms on the cloud. At the same time, we will continue to expand the Agile process, DevSecOps and DataOps as development standards for new digital capabilities of which a majority will be done in-house. We are prepared to further develop our skills in all relevant areas to support this effort, in addition to embarking on a security transformation of our systems and operating models.

Our focus on accelerating our Digital Transformation will ensure that our customers will Always Be Ahead.



Our Value Creation Theme 4:

Caring for Our Community and Environment

Mapping against SDGs



OUR COMMUNITY

Empowered communities through greater access to digital learning opportunities and fulfilment of our social responsibility




Maxis has continued to support communities in need, especially in the continued challenging environment and increasing need for digitalisation.

Our community initiatives are underlined by our passion for education and our purpose to bring together the best of technologies to enable the nation to Always Be Ahead in a changing world. Building upon what we learnt in the previous pandemic year, we have intensified our efforts to empower communities by bringing digital learning closer to them and helping to drive digital adoption. Beyond this, we have undertaken humanitarian relief efforts and supported B40 communities during major festive seasons.


Our Corporate Responsibility (CR) pillars comprise three focused areas:

-  Enabling greater access to digital learning
-  Empowering women entrepreneurs through digitalisation
-  Community engagement and support through festive charity and humanitarian relief efforts


Key initiatives implemented in the eKelas programme for 2021

 Promoting immersive use of English with eKelas HIP StoryFest competition

- **National-level English speaking and essay writing competitions**, supported by tutorial videos to guide on writing the best essay and tips to sharpen speaking skills.
- **More than 3,000 students** participated in eKelas HIP Storyfest competition.

 Maxis eKelas teachers forum on making learning fun and vibrant

- Hosted 2 virtual forum sessions on 'How to Be 'HIP' **Beyond the Classroom with 1,000 teachers across Malaysia** joining the interactive sessions.

 Inaugural eKelas STEM Challenge to promote coding, creative and design thinking skills

- The campaign introduced STEM content through the popular Roblox game and space travel aimed at fostering **critical thinking and promoting innovation**
- A holistic programme where students have access to explainer videos, notes and modules to **learn coding and design basics, talk series by STEM experts and workshops.**

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Our Value Creation Theme 4: Caring for Our Community and Environment

Our Value Creation Outcome

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Enabling greater access to digital learning

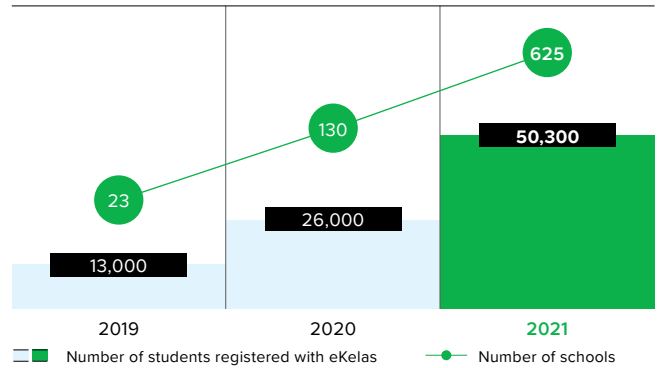
Through our flagship community programme, Maxis eKelas, we support students across the country with access to vibrant digital learning content and engagement activities through the eKelas portal.

Maxis eKelas is an after-school digital learning initiative for students from Primary 4 to Form 5, which brings learning enrichment in a fun and vibrant way and provides access to quality education content through the eKelas portal, in line with the Malaysian School Syllabus. Now in its fifth year, Maxis eKelas which is recognised by the Ministry of Education, has seen an acceleration in growth with over 50k students connecting through the eKelas portal, which includes students from over 625 schools.

As students continued learning from home for most part of 2021, we ramped up digital activities for Maxis eKelas, providing close to 200 hours of live tutorial sessions by experienced teachers through YouTube as well as running quizzes and games-based learning through the eKelas portal to ensure students are kept engaged.

Towards the end of the year, eKelas scaled a new milestone with the launch of the eKelas mobile app, enabling students, teachers and parents with greater access to exciting digital content, with convenience and flexibility of learning on the go. As a mobile version of the eKelas portal, the mobile app offers more than 3,000 curated bite-sized educational content focusing on the programme’s three core subjects – Mathematics, English and Science. This includes revision and learning videos, exam notes, reading materials and live tutorial sessions guided by teachers and the app community manager, *Abang Portal*.

Impact created from eKelas initiative



Putting devices in the hands of those in need



We recognised that one of the biggest obstacles for students learning from home, especially those in the B40 group, is access to devices. Continuing with our commitment to provide greater access to the Internet and digital learning, Maxis contributed refurbished desktops to several schools across the country and community centres as part of #MyBaikHati, an industry initiative driven by Malaysian Communication and Multimedia Commission (MCMC) (For more information about #MYBaikHati, visit <https://www.maxis.com.my/en/campaigns/mybaikhati/>). As at end of 2021, Maxis contributed 340 desktops and 35 laptops to 300 schools and 35 families. During the delivery of these devices, we also encouraged recipients to register for eKelas, so that more students can benefit from the programme.

Anne Soosay Selvam

Teacher from Sekolah Kebangsaan Bukit Tembakau, Melaka

“The desktops will be incredibly helpful. As a teacher, I know that students have more fun and enjoy learning with the help of digital tools. We can leverage technology to cultivate digital savvy students, so we want to thank Maxis for this contribution to our school.”

Azmi bin Aziz

Teacher from Sekolah Kebangsaan Keting, Kelantan

“The refurbished desktops are very much welcome as our existing desktops are no longer in working condition. This will benefit our students and give them more opportunities to explore the IT field on a deeper level. We are grateful to Maxis for their contribution and for enabling digital learning in our school.”



Empowering women entrepreneurs through digitalisation

Since 2017, Maxis has been conducting digital marketing workshops across a few states as part of a pilot project. Recognising the immense potential of the programme and with positive response from entrepreneurs who were largely made up of women, Maxis launched **eKelas Usahawan** in March as a structured digital marketing programme to empower women entrepreneurs in rural communities to develop a stronger digital presence.

With a focus on equipping these entrepreneurs with basic digital marketing skills, we worked with a specialised content and training partner to develop training modules

which includes tips and basic skills on digital photography, marketing and advertising through online and social media platforms as well as digital payments. Currently delivered as a public webinar series, eKelas Usahawan helps prepare entrepreneurs adapt to the new norm which requires them to meet the demands of their customers digitally. A total of 1,020 entrepreneurs were trained in 2021 through our collaborations with Pacos Trust, Yayasan Hijrah, Yayasan Kebajikan Negara and Iskandar Region Development Authority. Anyone can register for eKelas Usahawan via Maxis website at <https://www.maxis.com.my/en/about-maxis/corporate-responsibility/ekelas-usahawan-webinar/>.

In conjunction with the launch of eKelas Usahawan, Maxis held a special campaign comprising a workshop series for a group of 200 participants, working with PACOS Trust and Yayasan Hijrah Selangor 34 entrepreneurs who met the set targets were selected into the next round which includes monitoring of how they applied their newfound digital marketing skills to their businesses. These entrepreneurs went through a 3-month monitoring period, where the top 10 performers walked away with subscriptions to Maxis’ digital solutions for their respective businesses, and top 3 winners receiving cash prizes.

Beyond monitoring improvements in their digital marketing presence and increase in their online sales transactions, eKelas Usahawan also engaged Maxis employees to volunteer as coaches to encourage and provide insights to help these entrepreneurs expand their businesses further.

Across the entire pool of entrepreneurs undergoing coaching and monitoring, the number of Facebook page views recorded grew by 72% month-on-month just in a span of 2 months. Collectively, the total number of sales transactions across all participating entrepreneurs increased by 70% within the same period, since joining the programme.

“As a Gen-X who is more accustomed to running an offline business, the experience from the eKelas Usahawan programme really helped me in learning how to do product marketing with the use of digital tools. Now I have the confidence to use social media channels in marketing my business. I am also very excited about this win, and can’t wait to share the tips I have learned through eKelas Usahawan to grow other entrepreneurs.”

Pn Rosila Mohd Rosidi,
founder DokiDoki Ekonomi, Puchong, Selangor and first place winner of inaugural campaign.



Our Value Creation Theme 4: Caring for Our Community and Environment

Community engagement and support through festive charity and humanitarian relief efforts

Community engagement and support especially for those from vulnerable groups is an important part of our outreach initiatives. This includes those on low incomes, people living with disabilities, senior citizens, B40 communities and the homeless. We partner with government and non-governmental organisations to engage with these communities during the major festive seasons in Malaysia:

- **Chinese New Year:** Provided food boxes as well as face masks and sanitisers for B40 households in Desa Mentari, Selangor and Sg Rapat, Perak.
- **Hari Raya:** Delivered 100 desktops to 29 schools across Malaysia.
- **Deepavali:** Equipped SJK (Tamil) Jalan Fletcher, Kuala Lumpur with 20 refurbished desktops and a new projector. Additionally, a total of 70 food boxes were also distributed to needy families in Matang Jaya, Sungai Buloh.
- **Christmas:** Contributed 135 food packs, 6 new tablets, festive gifts and installed Maxis 4G WiFi for Rumah Kanak-Kanak Kota Kinabalu, Sabah.

Meanwhile, we have an important role to play in supporting communities during natural disasters. Towards the end of 2021, the nation experienced one of the worst floods, with unprecedented impact in the west coast. Our priority in assisting communities during times of crisis is ensuring they stay connected with their loved ones, as well as providing the necessary support to ease their burden. Working with our NGO partners, we mobilised teams to support flood victims with food boxes and hygiene kits along with SIM packs for those in relief centres.

The floods had caused devastating impact to communities especially in Selangor and Pahang, resulting in substantial damage to properties and livelihoods. We participated as an industry with the Ministry of Communications and Multimedia (KKMM) to support KKMM's flood relief initiative, *OPS Bantu Hingga Selesai*, to clean up homes and support families at three heavily impacted locations in Selangor, namely Taman Sri Muda (Shah Alam), Bukit Changgung (Sepang) and Taman Sri Nanding (Hulu Langat).

As part of our collaboration with Yayasan Kebajikan Negara (YKN), we also made food boxes available for impacted communities at YKN's regional offices in Kuala Lumpur, Johor Bahru, Ipoh, Penang, Kuala Terengganu, Kota Kinabalu and Kuching. Additionally, working with the Malaysian Red Crescent Society (MRCS), we prepared more food boxes and hygiene kits for distribution in the East Coast as well as Klang Valley, Negeri Sembilan, Melaka and Johor.



Aiding frontliners and communities during the pandemic

During the year, we continued to assist frontliners and communities impacted by the ongoing pandemic. As part of our RM1 million pledge to the GLC/GLIC Disaster Response Network (GDRN) for "To Malaysia, With Love" a campaign driven by MCMC, we contributed towards the following initiatives:

- RM135,000 to MRCS to fund their mobile vaccination programme under the National COVID-19 Immunisation Programme (PICK). Additionally, Maxis provided connectivity for MRCS' Hotline numbers via the sponsorship of Hotlink Unlimited mobile lines.
- RM50,000 to vaccination centres at Bukit Jalil Stadium and Multimedia University Cyberjaya for a month's sponsorship of meals for staff and volunteers.
- RM100,000 to the COVID-19 Assessment Centre in Kuala Lumpur for the sponsorship of personal protective equipment in support of the 200-strong team of frontliners, as well as meals for volunteers and patients for a month.
- RM150,000 to the MRCS to distribute food boxes to communities impacted by the pandemic across Malaysia.

Empowering our people to give back to the community

Our volunteerism programme, mSquad, continued to provide the opportunity for employees to get involved with causes they are passionate about. During the year, keeping the safety of our employees as the priority, we pivoted towards virtual volunteering with only limited physical volunteering under strict compliance with social



distancing and SOPs. For 2021, mSquad members clocked in 1,056 volunteer hours, reflecting a total volunteering value* of RM48,649. Volunteering hours stood at 1,786 hours and valued at RM80,441 in 2020. While for 2019, we recorded 2,185 volunteer hours, valued at RM100,000.

* Total value of volunteer hours is calculated as follows: Volunteering value = Average Hourly Rate x Total Maxis Volunteering Hours

For 2022, we will continue to champion education in our community outreach and help drive digital adoption especially among entrepreneurs and micro SMEs from the B40 group. We will leverage our position as Malaysia’s leading converged solutions provider to deliver our brand promise of Always Be Ahead in supporting the nation in times of need and in adapting to a rapidly expanding digital landscape so that no one is left behind.

OUR ENVIRONMENT

Minimised the environmental impact of our operations through reduction in emissions and proactive waste management

At Maxis, we are deeply concerned about the impact our business has on the environment especially through global warming. The extreme weather events of the past year, as evidenced by the recent flood events in Malaysia, have highlighted the growing reality and urgency of climate change focus.

We continue to implement initiatives that minimise our impact on the environment and closely monitor our business operations to address the impact of climate change on our business. Our main priorities are improving energy efficiency, optimising the use of resources and reducing greenhouse gas (GHG) emissions in our network hence helping to preserve our environment.

The two units responsible for managing our environmental impact are the Corporate Services department and the Network division team. The Corporate Services team monitors energy consumption, implements savings initiatives and facilitates recycling and waste management. The Network team is responsible for waste management of the Network side of the business, including seeking ways to maximise, reutilise or refurbish decommissioned equipment and redeploy it back as live network equipment (as opposed to buying new ones).

Our Energy Reduction Initiatives

Our network and information technology infrastructures account for most of our electricity consumption. Maxis is always looking for new technology and innovative ways that will help us improve energy efficiency across our Network Services and Data Centres. We continued to tune and refresh our equipment to obtain greater efficiencies as well as started to introduce solar energy system in our network. As part of these efforts, we are also excited with the acknowledgment and certification by the Malaysia Book of Records for having the “First Off-Grid Telecommunications Tower Powered by Green Energy (Solar & Wind Turbine)” in Malaysia.



Key Initiatives at Technical Operation Centers (TOC):

- **Modernise:** Ensure uninterruptable power system (UPS) and DC plant for Data and Switch Center by leveraging on new energy efficient capabilities and clean power supply
- **New initiative:** Introduce use of on grid solar system as renewable energy to power up Maxis’ servers inside Data and Switch Center. Work is currently in progress and due to be completed by June 2022, expected to accommodate about 10% of TOC building total consumption
- **Modernise:** Improve facilities for administrative and office area by using smart control and energy efficient system for minimum use of energy
- **Modernise:** Install utility power system for the entire building with energy efficient filtering system to minimise energy losses



Our Value Creation Theme 4: Caring for Our Community and Environment

Our Value Creation Outcome

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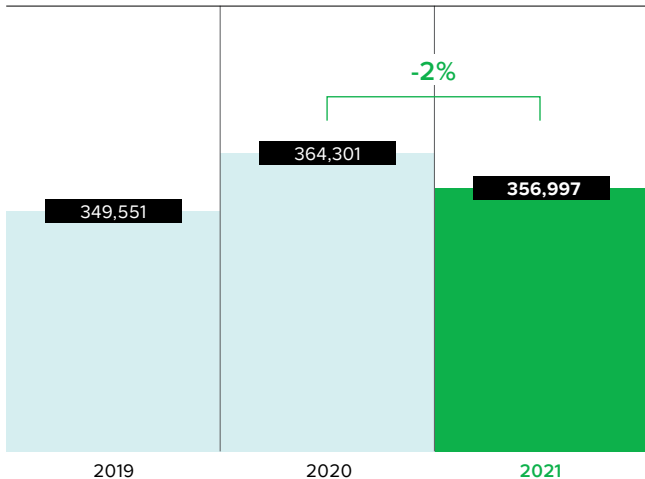
Key initiatives at Base Stations include:

- **New Initiative:** Optimise use of energy at base stations by using intelligent control and energy efficient motor to reduce energy loss for cooling system
- **Modernise:** Change-out of an old air-conditioning to free cooling system for selected base stations, hence significantly reducing the sites' power consumption
- **New initiative:** Install full off-grid solar system in rural sites of Peninsular and East Malaysia to eliminate use of continuous run generator set and diesel
- **New Initiative:** Reduce energy use for Radio Access Network (RAN) by leveraging on software capabilities, compact radio design and energy efficient equipment
- **New Initiative:** Sunsetting 3G network equipment to reduce energy and reuse for 4G/5G expansion

Performance Data Trend

As a result of our efforts to improve efficiency, we have managed to record a 2% decrease in electricity consumption at network sites – in comparison to the 17% increase in our total traffic. This has not only contributed to a decrease in overall carbon emissions but also savings in electricity costs.

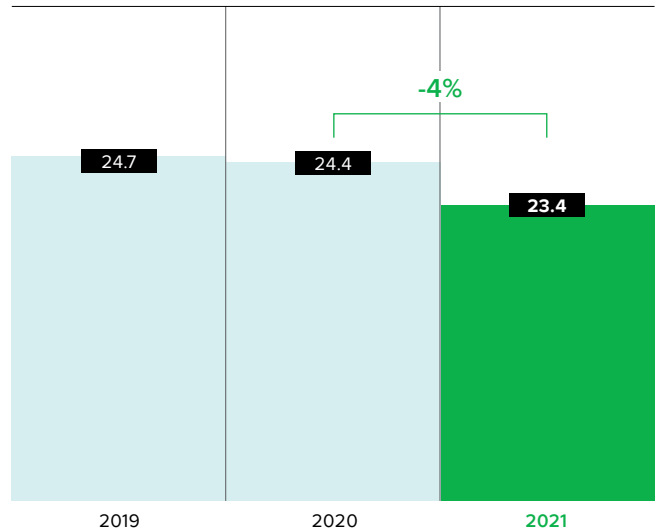
Total Electricity Consumption at Network Sites (MWh)



Average tonCO₂ emission per Base Station

The main consumption of energy stems from our base station sites, extensive network capacity upgrades for core and transmission networks to address the exponential increase in demand for data from our customers. In tandem, our electricity consumption forms the largest contributor to our GHG emissions. Impressively, despite the increase in demand for data and our extensive network expansion programme, the average emission per base station reduced by 4% compared to 2021.

Average tonCO₂ emission per Base Station



The continuous effort to drive operational efficiency and minimise the environmental impact of our operations has also resulted in an overall 4% reduction in total emissions across our operations in 2020.

Total Emissions at Maxis (CO₂ tonnes)

Scope 1 - Direct emissions e.g. from fuel and gas usage	2019	2020	2021
Network and Technology	9,092	5,080	5,566
SUB-TOTAL	9,092	5,080	5,566

Scope 2 - Indirect emissions e.g. from electricity consumption	2019	2020	2021
Network and Technology	236,670	249,274	243,923
Building Electricity Consumption	2,171	1,593	1,164
SUB-TOTAL	238,841	250,867	245,087
Total Emission (CO₂ tonnes)	245,762	261,027	250,653



Reusing and Optimising our Resources

Through our approach to sustainability, we aim to maximise reuse and recycling, and avoid incineration and landfill. This includes our procurement process, operations, and the impact of our products and services before, during and after use.

Internally, our network supply chain team focuses on optimising and reusing parts for network maintenance. As part of our network modernisation and simplification we are phasing out older generation technologies and transferring customers and services to new-generation technologies that are deemed to be more energy efficient.

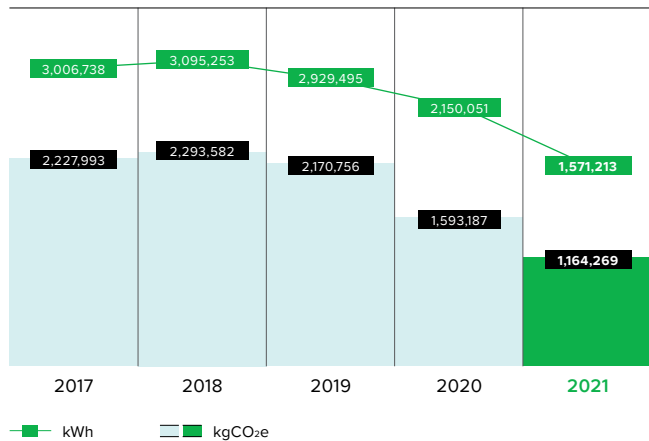
Minimising impact at our main corporate offices

Closer to home, we continue our efforts to minimise the environmental impact at our main corporate offices. Our offices have saved 27% in energy and 80% in waste as compared to 2020 through an energy-saving programme, optimising workspace, and using less office space as people worked from home for most of the year, as a result of the COVID-19 lock-downs.

Performance data

Building Electricity Consumption

Total Building Electricity Consumption kWh & kgCO₂e



We are now in our sixth year of partnership with the NGO, Pertubuhan Kebajikan Masyarakat Melalui Kitar Semula (CRC), in a bid to recycle office waste at our main offices. Recyclables or funds collected from our recycling efforts are donated to charity. In 2021, total office waste collected reduced by 80% compared to 2020, as most of our staff from main offices were working from home, coupled with minimal office operations due to the government’s movement restrictions.

Total Office Waste Generated & Recycling (kg)

Year	2019	2020	2021
Total waste generated	2,200	515	101
Total recyclable waste	1,600	442	85

Our paper consumption decreased by a further 34% in 2021 compared to 2020 as most of our staff from our main offices were working from home coupled with minimal office operations due to the government’s movement restrictions and most of our operational processes went digital. Upon 100% of our staff returning to office, we are forecasting a return to the numbers seen in 2019 with an increase of 100% from 2021 usage.

Total Paper Usage (Reams)

Year	2019	2020	2021
Total Reams used	5,996	3,605	2,375

Future Plan and Priorities

Going forward, Maxis is committed to continuously minimise our environmental impact by optimising operational efficiency and finding ways to progressively reduce our emissions stake, in line with our overarching ESG strategy that is currently being developed. As part of this process, we are also planning how to enhance our policies to enable better tracking and monitoring of our environmental impact, such as improving how we account for greenhouse gas emissions. Ultimately, we are positive that these efforts can lead us setting concrete GHG targets in the near future.

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Embedding Responsible Business Practices

Mapping against SDGs



OUR GOVERNANCE

Strengthened our ethical business culture through robust integrity governance and educational programmes

Maxis has a zero-tolerance policy against bribery and corruption and through the Integrity & Governance Unit (IGU) has implemented various initiatives to ensure ethics and compliance is observed throughout the value chain. IGU is an independent unit that reports directly to the Board of Directors through ARC. For administrative matters, IGU reports to CFSO. The role of the IGU is to ensure the effectiveness and implementation of the following four (4) core functions within Maxis, namely: (1) Complaints Management; (2) Detection & Verification; (3) Integrity Strengthening; and (4) Governance.



- IGU's recommendation to proceed with the submission of Maxis' application for the ISO 37001:2016 Anti-Bribery Management System (ABMS) Certification, respectively.

This endorsement was granted following the completion of the pre-assessment of Maxis' ABMS Certification that was conducted by SIRIM in April 2021 and Company-wide corruption and bribery risk assessment that was conducted and completed in mid-October 2021. Additionally, policies relating to Sponsorship & Endorsement and Hospitality & Entertainment Policies had also been revised in October 2021. A process was also established to formalise the tracking mechanism and management of relevant activities under these policies.

In adherence to the Sponsorship & Endorsement Policy and Guidelines that is under the purview of MABC Manual, Maxis prohibits sponsoring initiatives which have an alignment to any political groups. Additionally, as part of our CSR and Non-CSR Donations and Contributions Policy, Maxis also recognises that providing donations and contributions can pose a bribery risk as it involves payments to a third party without tangible returns and this may be used as a route for bribery. Hence, all CSR and non-CSR contributions made to the Government require the final approval of the Government and Regulatory Affairs Committee (GRAC).

Maxis has established appropriate culture, oversight and autonomy to anti-corruption and compliance. Strong commitment from the Board, Board Committees, CEO, MMT and management and a clearly articulated Maxis Integrity & Compliance Framework (MICF) reflect the aspiration towards leading exemplary compliance of Environmental, Social and Governance (ESG) principles for sustainability of good corporate governance.

Any conduct which is non-compliant or in violation of the Maxis Anti-Bribery and Corruption (MABC) policy will be taken seriously and are subject to disciplinary actions. Where non-compliance or violation of this Policy, or a complaint, or escalation is received, due inquiry process will be carried out by the Company.

Maxis has also endorsed the implementation of:

- the MICF;
- the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) structure for Maxis Collections Sdn. Bhd. (MCSB); and

During the reporting year, an Integrity Vetting System (eSTK) screening was conducted by the Malaysian Anti-Corruption Commission on the Board of Directors, including the Chairman, and was also extended to the Chief Executive Officer, Senior Management and officers



designated for critical and strategic positions, including selected third parties who were thoroughly vetted and found to be of high integrity.

As part of Maxis' continuous journey to strengthen its culture of integrity and business ethics within the organisation, the Board of Directors and Senior Management fully supported the implementation of the Maxis Integrity Corporate Advocacy Programme (MICAP) which reaffirms Maxis' stance in upholding its commitment to conduct business professionally, ethically and with the highest standards of integrity among its employees.

MICAP is an integrity campaign that was organised for all internal and external stakeholders with the theme **#iammaxis_#Have Integrity: Own It!** This is a sequel to last year's **#iammaxis_Integrity & Me Campaign**. A series of programmes and activities were scheduled throughout the Integrity Campaign week, such as:

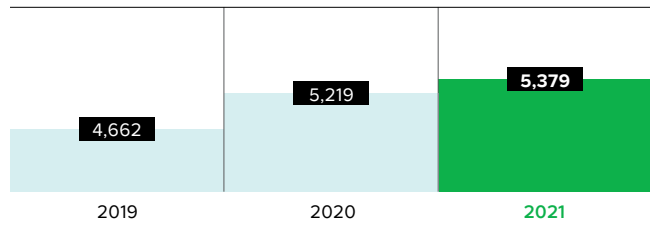
- Dissemination of the Leader's Integrity Statement;
- Integrity Poll;
- Vendor's Integrity Programme;
- Compliance Officer Round Table Discussion (RTD) on the best practices related to the Guidelines-Adequate Procedures: T.R.U.S.T. Principles; and
- Maxis Integrity and Governance Journey Webinar and the FairBiz Action Plan activities which were both carried out in collaboration with the United Nations Development Programme (UNDP).

Our third-party vendors have also joined and showed their support towards MICAP by joining the Vendor's Integrity Programme (VIP) that was conducted in 8 sessions. A total of 467 companies had participated in VIP. The objective of VIP was to enhance our vendors' awareness of the MABC System. VIP was also a refresher for our vendors on the MCOBP for Third Parties, MABC Manual, No Gift Policy, Integrity Pledge, Anti-Corruption and Anti-Money Laundering related laws and cases, Due Diligence Process and Maxis' commitment to do business with ethics and integrity through zero-tolerance of bribery and corruption.

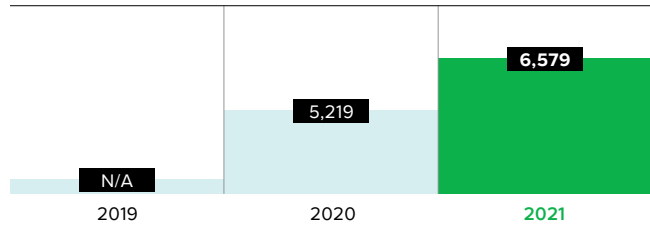
FairBiz represents the UNDP's project for "Promoting a Fair Business Environment in ASEAN". Funded by the UK Government, the ASEAN Economic Programme, The FairBiz Integrity Hub aims to expose the business community to best international practices and practical collaborative solutions between government, business and civil society to create an open and transparent business environment built on trust.

Moving forward, whilst we will continue our training, communication and education programmes on anti-bribery and AML/CFT. We have appointed compliance champions as the 'advocate of integrity' in each Division, as part of our initiative to embed a strong ethics, integrity and compliance culture. We will also constantly monitor, measure and enhance the effectiveness of the MABC System, Internal Controls and once implemented, AML/CFT structure.

Number of employees who received training on Maxis' CoC & MCOBP Assessment and Acknowledgment via Maxis Academy*

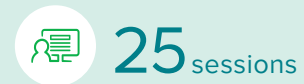


Number of employees receiving basic training related to anti-corruption and bribery via Maxis Academy*



* Employee training include all current Maxis employees and Third Party Contract Staffs, at the point of rollout

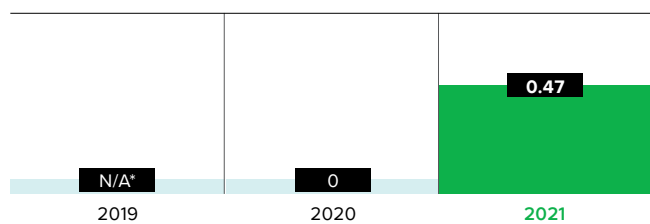
Number of ancillary training sessions for employees:



Third Party Training

Training Title	Sessions	Number of Companies
Vendor Integrity Programme	8	467

Percentage of employees found as non-compliant under MABC (%)



* The MABC system was established in May 2020.



OUR SUPPLY CHAIN

Improved supply chain management through responsible procurement practices and effective communication with suppliers

Procurement as the strategic business enabler, technology driven towards intelligent procurement operations and support.



Responsible Procurement Practices

To support our Responsible Procurement Practices, Maxis has in place a robust set of policies and procedures to guide and govern the sourcing, selection, assessment and performance monitoring of our suppliers.

For example, Maxis always upholds ethical procurement practices with its suppliers, providing a level “playing field” which is guided by suppliers’ compliance to technical and commercial requirements which forms the basis of the evaluation and selection of suppliers. This includes our commitment to open and transparent competition based on suppliers’ capability and experience and not just on size and maturity, which helps drive inclusiveness and helps new businesses to flourish.

Potential suppliers are also required to go through our vendor onboarding process and due diligence check. Here, they are required to submit relevant business and financial documentation for assessment and to sign our Maxis Code of Business Practice (MCOBP) and Integrity Pledge (IP).

Managing our Suppliers Effectively

The Maxis Code of Business Practice for Third Parties contains guidance to assist third parties in conforming to the ethical business standards observed by Maxis in all our business dealings with third parties. Third parties, who conduct business with the Group must formally declare that they have read and will adhere to the MCOBP upon commencing work with the Group. In addition, an annual Vendor Integrity Programme conducted by Maxis’ Integrity and Governance Unit raises bribery and corruption awareness to these external parties.

Maxis Vendor Management team also conducts periodic and ongoing assessments of identified key suppliers’ performance to identify improvements and correction actions. Existing suppliers are also required re-acknowledge the MCOBP annually. Maxis has also enhanced the policy on engaging consultants by providing clarity on what constitutes consulting services, in addition to requiring approval from top management for any appointments.

To ensure on-time delivery and sufficient supplies during the pandemic, we maintain constant dialogue with our critical suppliers, plan in advance and explore and secure alternative supplies as necessary. We have also optimised processes and technology tools in our Source to Contract framework, enabling online supplier collaboration throughout onboarding, tendering and contracting, for transparency and proper audit trails.

Future Outlook

Looking ahead, our short-term goals are to further leverage technology, digitalisation and automation to provide the procurement team better insights and understanding regarding spend patterns and trends. We are also committed to developing an effective Supplier Relationship Management Framework to standardise the roles and responsibilities of our vendors. Maxis will also keep striving to improve efficiency, but without compromising on our controls and governance. In addition, we will continuously optimise our spending for low spend and low volume vendors.

Over the medium-term horizon, we aim to enable AI and predictive technology to free up our employees and drive greater productivity. We will also move towards more strategic partnerships with suppliers that will establish closer relationships and where performance, issues and value add activities can be discussed further. Finally, we believe that our function will evolve into Procurement as a Service, where we are a business value creator and enabler for Maxis.



Our Priorities

Our priorities within 1 to 2 years:

- Digitalisation & automation e.g., digital spend analytics, chatbots. Process simplification with technology enablement providing better understanding and insights through data and information.
- Develop an effective Supplier Relationship Management framework (including risk management), with clear roles and responsibilities. Standardising ways of managing strategic suppliers and contracts will reduce risk of contractual benefits leakage and opportunities.
- Continuous process improvement towards zero audit tolerance. Balancing the need for more efficient process that meets the current business needs while keeping control and governance in place.

- Review long tail vendors for spend and supplier optimisation. Though low value spend (purchases below RM5K) is a small percentage of Maxis total spend (<1%), a continuous review would facilitate better spend and supplier management.

Our medium-term plan in the next 2 to 5 years:

- Enable AI and predictive technology (extreme automation). This minimises administrative tasks which would allow staffs to focus on more strategic tasks.
- Move towards more strategic partnership with suppliers whereby channels are established to discuss performance, issues, value add activities including innovation and sustainability.

OUR CYBERSECURITY

Built a stronger cybersecurity culture and enhanced system resiliency

Ensuring robust cybersecurity of our systems and safeguarding data privacy is a critical and top priority for Maxis. The industry we operate in directly exposes us to numerous cyberthreats, especially when considering the large network that we operate and the millions of customers we support. As such, it is vital for us to invest in security infrastructure, create policies, processes, procedures and implement solutions that will strengthen our defense against the growing sophistication of would-be attackers, while ensuring that our business objectives can progress unimpeded.



Protect the Brand and Ensure Compliance



Embed Security in DNA



Strengthen Cyber Resilience and Support Digitalisation

"I am Maxis" embodies our commitment that all of us are responsible for cybersecurity. Our employees and partners are required to adhere to our cybersecurity policies and ensure that the necessary cybersecurity controls are implemented, monitored and reviewed. We also encourage active participation in our cybersecurity awareness programmes and provide updates on cybersecurity threats through our internal communication channels and through dedicated campaigns.

The Cybersecurity Management department is accountable for more than the cybersecurity posture of our networks and IT systems but also partner with the business to ensure that Maxis continues to remain resilient against cyber threats and protect our key assets. Cybersecurity as a whole is governed by members of

the Maxis Management Team and also provide periodic reports to the Audit & Risk Committee regarding posture, current and potential security threats as well as measures taken to manage the identified risks.

Enhancing Cyber Resilience

The potential for security threats increases indirectly as a result of digitalisation initiatives and thus prompts the need to review our strategies to enhance cybersecurity resilience. By definition, resilience means the ability to anticipate, withstand, recover from, and adapt to adverse conditions, attacks, or compromises on systems.

Acknowledging that human error is a major factor in cyber security breaches, we continue to enhance cybersecurity resilience through our security awareness programme



for stakeholders comprising our first line of defence. This includes our employees and key vendors, amongst many others. Numerous activities were held in the year under review, including awareness campaigns, targeted awareness programmes, monthly advisories, refresher modules, periodic phishing simulations and an annual Safety & Security Day. The phishing simulation, which is held quarterly, has helped to ensure that employees are aware about phishing activities and how to respond accordingly in such situations.

In our effort to improve our cybersecurity resilience, we also work closely with our key vendors to ensure security compliance, especially in the context of the Personal Data Protection Act 2010. We strive to ensure our customer data are well protected and take extra effort to ensure the compliance of all parties working with Maxis who have access to customer data. As part of this, we are enhancing our systems to ensure the correct classification of digital documents to protect both customer data and sensitive business information or strategies

On our strategy to thwart Ransomware attacks, which has increased globally lately, several simulations and campaigns were conducted to ensure our processes, especially our Incident Response in handling such situations are intact and effective. In the cloud setup for example, we continuously assess potential security gaps and introduced measures that prevent common threats such as Cloud Distributed Denial of Service (DDOS) and Advanced Persistent Threats.

With several activities and security controls deployed thus far, the Governance team within Cybersecurity Management is also looking rigorously at the effectiveness and compliance of all the systems deployed either in the cloud or on-premise to ensure we have a secured and safe environment now and in the near future.

Empowering Digitalisation

In supporting the Maxis' digitalisation initiatives where systems are increasingly being hosted on the cloud, the Cybersecurity team requires all applications to go through the compliance requirement of ensuring good hygiene. We are adopting the DevSecOps approach that automates the integration of security at every phase of the software development lifecycle, from initial design through integration, testing, deployment, and software delivery.

In line with this approach, a few security processes in the area of testing were introduced where applications are scanned to detect code-related vulnerabilities as part of the Static Application Security Testing (SAST). Any vulnerabilities found must be remediated before the applications are allowed to move into the production environment. In addition to this, there is also the Software Composition Analysis (SCA) tool that calculates digital signatures for all libraries and detects the vulnerable open-source libraries and manage the open-source elements of their applications. Finally, there is the

Dynamic Application Security Testing (DAST) at the last leg of testing that would analyse web applications while in runtime and identify any security vulnerabilities or weaknesses. All these stages of security testing are part of the DevSecOps approach in ensuring our support towards a secured digitalisation and cloud initiatives in Maxis, and align to the Zero Trust and Security by Design strategies.

Industry Collaboration

The Cybersecurity team also participated in a few industry-related activities organised by MCMC and Malaysian Technical Standards Forum Berhad (MTSFB). The initiatives were meant to develop standards in the area of cybersecurity and build the foundation work to get the environment ready to support digitalisation initiatives. We see these initiatives as an important contribution that will benefit society and the security industry.

Priorities in 2022

As the complexity of cyber threats increase and our attack surface continues to expand, our focus moves to risk based prioritisation, cloud security, compliance and technology enhancements. This will be achieved through the adoption of security by design practices, adoption of zero trust strategies and the implementation of best practice security standards that are aimed at protecting our brand, ensuring compliance, embedding security in our DNA, further strengthening cyber resilience and supporting our digital transformation ambitions.

In the short term, we will continue maturing our cybersecurity management and standardising our security operations and practices, amongst many other initiatives that will span over the longer term such as enabling greater automation and the use of predictive analytics and Artificial Intelligence (AI) for security monitoring, detection and incident handling.

On the Data Protection front, we have prepared a roadmap with a number of initiatives including the enhancement of current data protection capabilities by implementing new solutions that would address current gaps to better protect customer personal data and confidential data from potential data breaches.

The ISO certification in Maxis will continue to be re-certified to ensure our security processes are meeting international standards. For example, our Voice and Data Core network infrastructure has been ISO27001 certified since 2012 and we are expanding the scope in 2022 to cover our data centre in the cloud, in line with the Group's digitalisation programmes.





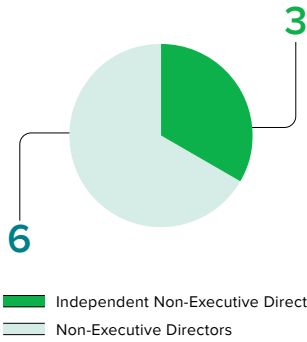
Helping to build the
Young Leaders
of tomorrow



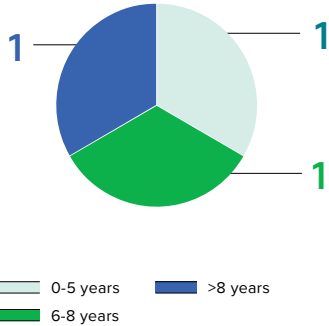


Board At A Glance

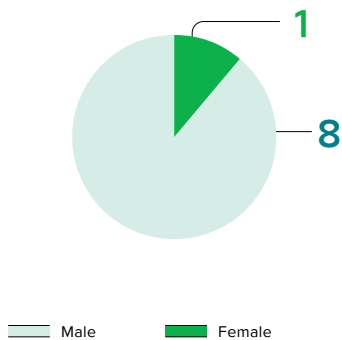
BOARD COMPOSITION



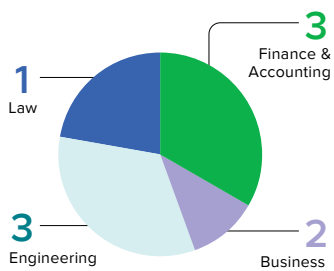
TENURE OF INDEPENDENT NED



GENDER DIVERSITY



QUALIFICATION AND SPECIFIC INDUSTRY



NATIONALITY



Malaysian

5



Non Malaysian

4

	ARC	RC	NC	BIT	GRAC	SIC
Tan Sri Mokhzani Bin Mahathir (Chairman/ NINED)		●	●		●	●
Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda (NINED)			●		●	
Robert Alan Nason (NINED)	●			●	●	
Dato' Hamidah Naziadin (INED)	●	●	●			
Alvin Michael Hew Thai Kheam (INED)	●	●	●	●		
Mazen Ahmed M. AlJubeir (INED)	●	●	●			
Mohammed Abdullah K. Alharbi (NINED)	●					
Abdulaziz Abdullah M. Alghamdi (NINED)				●		●
Lim Ghee Keong (NINED)		●		●	●	●

NINED - Non-Independent Non-Executive Director
INED - Independent Non-Executive Director

● Chairman
● Member

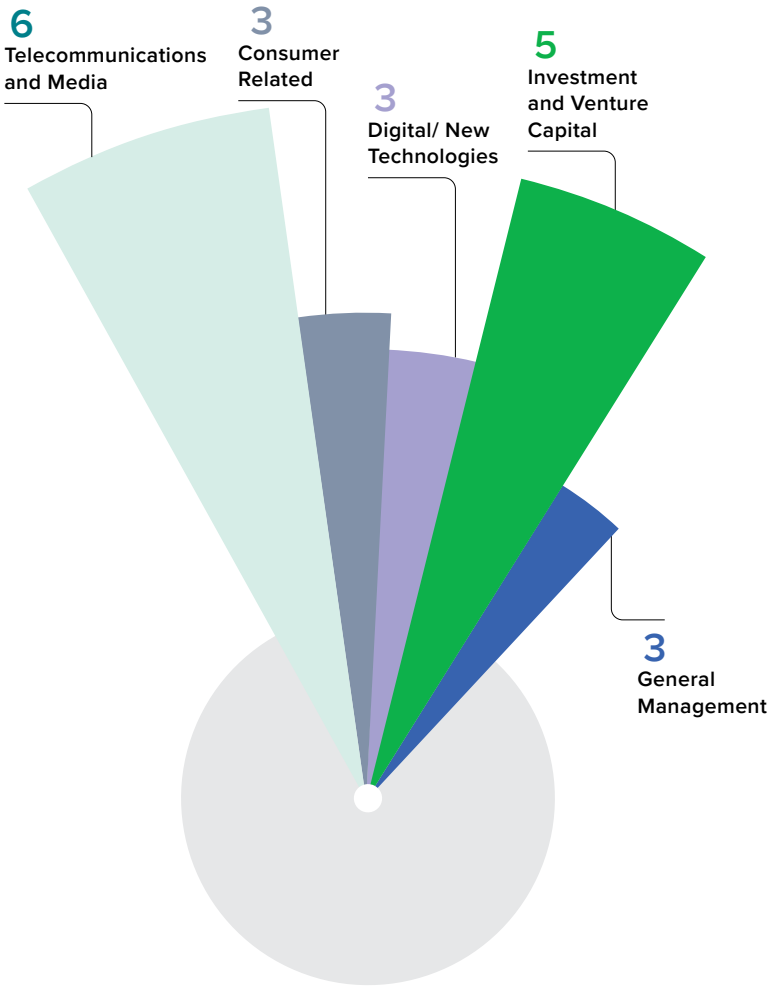


BOARD AND BOARD COMMITTEES DETAILS

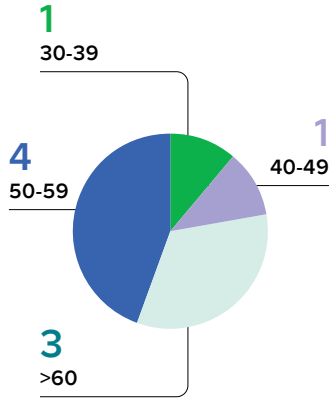
Total Board & Board Committees meetings

Board of Directors	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Government and Regulatory Affairs Committee	Business & IT Transformation Committee	Committees formed by Directors during the year
7	5	6	6	5	5	11

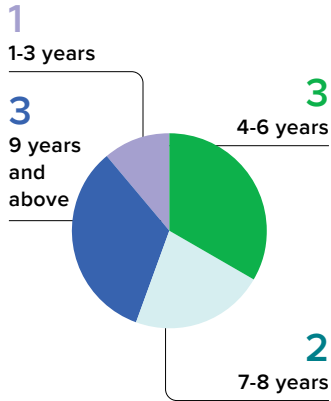
SKILLS AND EXPERIENCE



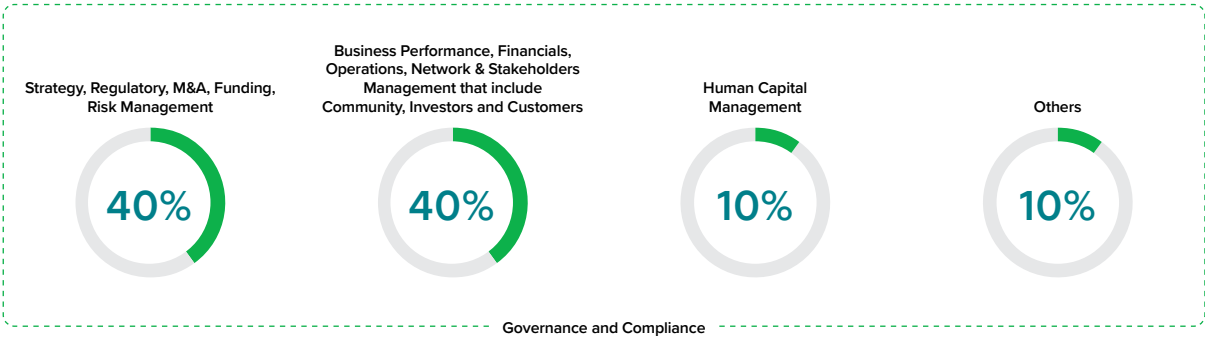
AGE GROUP



LENGTH OF SERVICE (TENURE)



TOPICS DISCUSSED AT THE MEETINGS



01
02
03
04
05
06



Corporate Governance Overview

The Board sets the tone at the top for Maxis' corporate governance practices and application to the Maxis Group. A robust standard of corporate governance practices and applicable policies and procedures within Maxis are fundamental to sustain the Group as a leading converged solutions provider in the ever changing regulatory and market environment.

The Board and Maxis' commitment to upholding the highest standards of corporate governance and levels of integrity in our organisation, and undertaking of our regulatory duty and commercial objectives as a responsible corporate citizen to our stakeholders is explained throughout this Integrated Annual Report.

The Board is pleased to provide an overview of the Group's corporate governance practices, which summarises the Group's application of the Principles and Recommendations of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) during the financial year ended 31 December 2021.

This overview is prepared in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR) and it is to be read together with the Corporate Governance Report 2021 of the Company (CG Report) which is available on the Company's website. The CG Report provides the details of the Group's application and departures, including alternative practices of the Principles and Recommendations of MCCG 2021. The Corporate Governance Report 2021 can be found at <https://maxis.listedcompany.com/ar2021.html>

As of 31 December 2021, Maxis has applied all the Practices contained within the MCCG 2021 except for Practice 1.4 (The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee), Practice 4.2 (The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders), Practice 5.2 (At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.), Practice 5.9 (the Board has at least 30% women directors) and Practice 8.2 (disclosure of remuneration of top five senior management in bands of RM50,000).

Maxis acknowledges the tenets of good governance and believes that its application of, and/or alternative practices assist in achieving the 13 Intended Outcomes of the MCCG 2021. An overview of the departures are detailed below:

- **Practice 1.4** - Maxis is of the view that even though the Chairman of Board sits as member of the Nomination and Remuneration committees, no single director can influence decisions making and policies of Board and each of the Committees. The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committee-level deliberations by the Chairman. The decision-making processes of the respective Committees are collectively made in accordance with the Terms of References of each Committee as well as all other applicable policies, procedures and laws. By design and strict adherence to these authoritative promulgations, no single person can influence Maxis' decision making and policies, as there are robust processes, approval matrices, compliance and governance safeguards in place. Decisions must be made by consensus and in the best interests of Maxis.
- **Practice 4.2** - At present, Maxis does not publish a detailed breakdown of its sustainability strategies, priorities and targets as well as the Company's performance against these targets within the Integrated Annual Report. The Company discloses in its Integrated Annual Report a brief overview of the Company's materiality assessment and key concerns raised by stakeholders within the sustainability sphere. The Board is cognisant of the shortfall in the Company's sustainability reporting suite and hence, has drawn up the necessary action plans to incrementally move towards putting sustainability as a primary focus.
- **Practice 5.2** - While acknowledging that a board composition comprising a majority of independent directors as recommended by MCCG 2021, Maxis is undertaking reasonable efforts to achieve this practice by 2024. Maxis is in compliance with Para 15.02(1) of MMLR whereby 1/3 of the Board of Directors are independent directors. In addition, there are robust process, policies and procedures in place to ensure that no single director can influence decisions making and policies of Board and each of the Committees. Actions are taken to continuously review Directors which have served for more than 9 years to ensure that they are indeed independent in substance and form.



- **Practice 5.9** - To meet the 30% women directors composition target, the Nomination Committee (NC) and the Board are always on the look out to expand the pool of potential women candidates for Board candidacy. 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 as a leading converged solutions provider. Maxis Board is cognisant to this diversity requirement and measure to meet the 30% women Directors target by 2024. Currently, the Board is focusing on refreshing the current board composition and appointment of additional women directors to remain agile and competitive in the operational business environment.
- **Practice 8.2** - Maxis is of the view that disclosing the remuneration of senior management in bands of RM50,000 will affect the competitiveness of Maxis. Nevertheless, Maxis relies on its robust systems, processes and oversight to ensure remunerations remain competitive and managed strategically and is strongly linked to performance and potential. The Board will re-evaluate this disclosure from time to time.

During the financial year ended 31 December 2021, Maxis' Leadership and Governance structure was reviewed and enhanced. Key changes were as below:

- Members of the Board have been supportive to Management as the Board had in continuation from 2020 considered "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 governance process and structure provide that

the Board Charter, present Committees viz the Audit and Risk, Remuneration, Nomination, Business & IT Transformation, and Government and Regulatory Affairs have defined Terms of References, and scope for matters within the Board's approval. The Board has regular dialogues and engagements including one-to-one guidance to the CEO and members of Management that fosters agile and robust information sharing.

- 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.
- Management provided the Board with the background information and details to support their requests.
- In addition, the Board formed ad hoc Committees of the Board to review and consider strategic, regulatory and financial matters. These Committees were formed under the Board's powers with clear scope and limits of authority.
- Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda having served as Chairman of the Board for the 11 years, handed over the Chairmanship to a younger member of the Board. The Board had unanimously nominated and appointed Tan Sri Mokhzani bin Mahathir as new Chairman of the Board in place of Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda on 22 April 2021. Tan Sri Mokhzani bin Mahathir was appointed as a Director of Maxis Berhad on 16 October 2009 and has served as Senior Independent Director since 2009 until 22 April 2021. Tan Sri Mokhzani bin Mahathir is well versed with the telecommunications industry and is a highly experienced corporate leader and entrepreneur.

Both this Overview and the Corporate Governance Report 2021 were approved by the Board on 22 February 2022.

A BOARD LEADERSHIP AND EFFECTIVENESS

The Board is collectively responsible for the direction and oversight of the Maxis Group to ensure its sustainability and ability to create long-term value for its shareholders and various stakeholders. The Board provides prudent leadership and strategic guidance within a framework of robust and effective controls ensuring Maxis' resilience in the execution of its strategy within the markets that Maxis operates in. The Board is entrusted with ensuring that there is an adequate group-wide framework for co-operation and communication between Maxis Berhad and

its subsidiaries to enable it to discharge its responsibilities including oversight of the Maxis Group's financial and non-financial performance, business strategy and priorities, risk management that includes material sustainability risks, and corporate governance policies and practices. The Maxis Group has in place detailed policies as set out in page 117 of the overview, and which are also available on the Maxis website.

+ Further details are set out in the SORMIC Statement in this Annual Report from pages [129](#) to [137](#).



Corporate Governance Overview

BOARD GOVERNANCE AND BOARD RESPONSIBILITIES

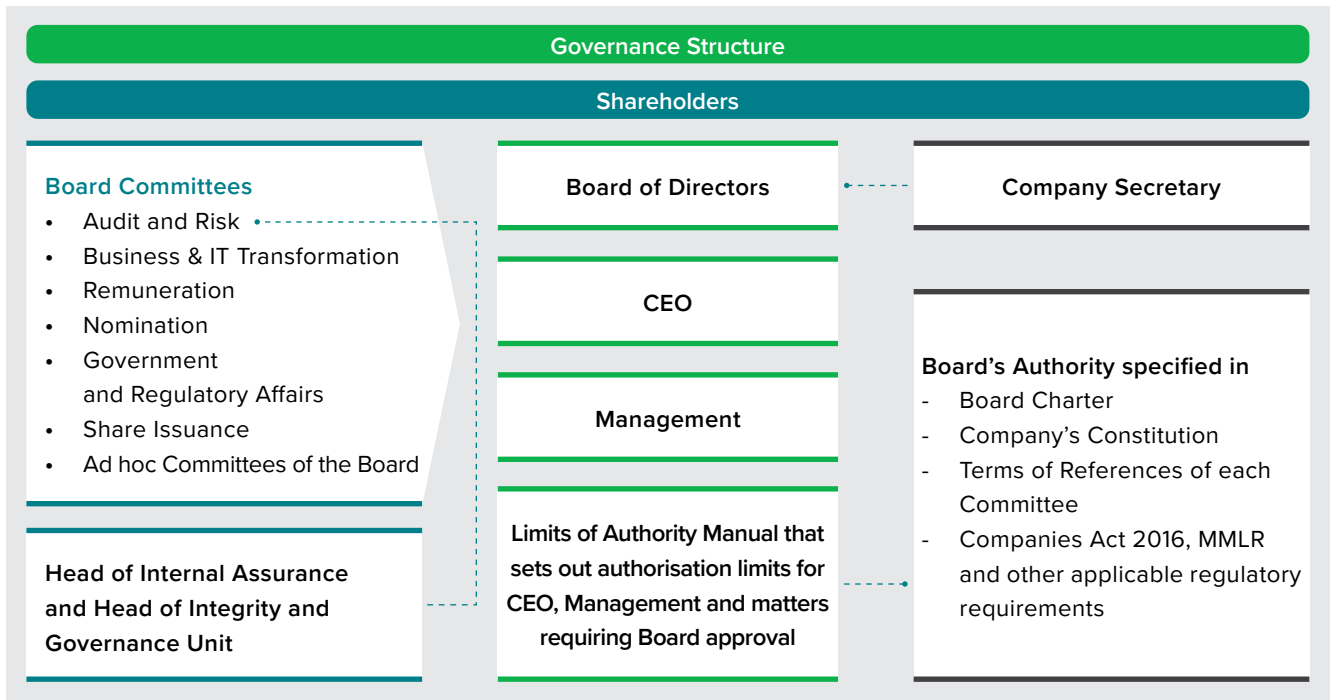
The Directors are responsible for the management of the Company, with powers as defined in the Company's Constitution, the Companies Act 2016 and applicable regulations. The Board's Leadership and Governance structure is supported by the Board Charter, Board Committees, Limits of Authority (LOA) manual, which clearly outlines key matters reserved for the Board, CEO and Management, and the Board's policies and procedures. Specific responsibilities of the Board are delegated to

the Board Committees. The Board Committees operating with their respective chairmen and members facilitate the Board's efficiencies in getting the specific attention, scope and in accordance with clearly defined Terms of Reference (TOR) of each of the Committees which are available at https://maxis.listedcompany.com/corporate_governance.html. The Board as a whole retains collective responsibility for decisions on recommendations made by Committees.

+ For further details, please see the 'Board Committees' section at page 106.

The Board 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. All Directors must assent to Circular Resolutions unless he or she has abstained from voting pursuant to Rule 153 of the Company's Constitution.

During the year, the Board also conducted comprehensive reviews of the Governance structure with the view to enhance its effectiveness including the review of the Board Charter, Terms of References of the Committees and the policies and procedures.



The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes. The Board Charter also sets out the roles and responsibilities of the Board, the individual Director as well as the Senior Independent Director. The Board Charter entrenches key matters reserved for the Board, inter alia, financial results, dividends, approval of strategy, the annual operating plans, budgets, new major ventures, acquisitions and disposals, changes to management and control structure, appointments of Board members, Committee members, CEO and Company Secretary. It further sets out the roles and responsibilities of the Board, the Chairman, CEO, Senior Independent Director and Company Secretary, and any material matters. The Board Charter is periodically reviewed to ensure it reflects the direction of the Group, and is made available on the Maxis website https://maxis.listedcompany.com/corporate_governance.html. The Board Charter was reviewed and approved in February 2022.

Directors regularly attend talks, briefings, workshops and utilise online learning tools and reading materials to keep apprised of operational, legal, regulatory and industry matters in the discharge of their duties.



BOARD ACTIVITIES

The Board discharges its responsibilities through an annual programme of meetings, and via circular resolutions in between meetings. Papers and presentations to the Board and its Committees focus its oversight of performance and the driving of the Company's strategic direction. They are designed to either facilitate effective decision making, being categorised for 'updates', 'review' and 'decision' or aid the Board's oversight of the business, being for 'updates'. In 2021, the Maxis Board met 7 times and reviewed, deliberated and approved (where specifically required), amongst others, the following:

Strategy, Regulatory, M&A, Funding, Risk Management

Key Discussion Topics:

- COVID-19 response plan
- Long Range Plan (LRP) and strategy, including MAX Plan
- Budget and Annual Operating Plan (AOP) for 2022
- Regulatory policies and strategy
- Corporate sustainability
- Risk appetite and assessments
- Related party transactions
- Strategic and emerging issues
- Cashflow and funding requirements
- Acquisition of Mykris Asia Sdn. Bhd.

Business Performance, Financials, Operations, Network & Stakeholders Management that include Community, Investors and Customers

Key Discussion Topics:

- Maxis' detailed business performance and operations
- Business continuity with COVID-19 and MCO
- Customer service and consumer insights
- Network and Information Technology systems and security
- Risk management and internal controls
- Key performance indicators and scenario analysis
- Forecast and planning on business operations
- Environmental, Social and Governance (ESG) Strategies
- Financial results for each quarter and the audited financial statements
- Announcements to Bursa Securities on quarterly financial results and any material disclosures
- Proposed dividends
- Investor relations briefing, shareholding analysis, investors engagement plans and feedback from investor engagements

Human Capital Management

Key Discussion Topics:

- Employee related matters and the policies and procedures for Work from Home (WFH) and business continuity policies
- Employee wellbeing initiatives
- Organisational structure
- Appointment of key management position (Chief Marketing Officer)
- Updates on personnel movements
- Employee engagement
- Succession planning
- Talent and retention planning
- Employee bonus and salary structures

Governance, Compliance and Others

Key Discussion Topics:

- Convening of the 12th Annual General Meeting (AGM) and Notice of the AGM
- Review and approval of the Annual Report for financial year end 2020, Corporate Governance Report financial year end 2020 and the Circular to Shareholders seeking a mandate for recurrent related party transactions for 2021/2022
- Re-election of Directors and review of the performance of directors
- Review of the outcome of the Board Effectiveness Evaluation
- Change in Chairman
- Changes in the Senior Independent Director
- Changes in Committees composition
- Cybersecurity, data protection and anti-bribery and corruption
- Specific corporate and operational matters that required Board's approval
- Corporate matters, procedures and policies in compliance with the Guidelines of the Securities Commission for directors of PLCs and subsidiaries
- Review of the changes in MCCG 2021 that came into effect in 2021
- Review of the proposed Audit and Risk Committee and the Board composition of Maxis Collections Sdn. Bhd., a pre-operating wholly owned subsidiary of Maxis Berhad
- Review of the corporate structure and overall composition of the Maxis Group of Companies
- Review of the declarations of interests of Directors and principal officers and dealings shares

- 01
- 02
- 03
- 04
- 05
- 06



ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND CEO

The roles of the Chairman and CEO are clearly separated. The Chairman, Tan Sri Mokhzani bin Mahathir is responsible for providing significant leadership to the Board by providing oversight so that the Board can carry out its responsibilities effectively while the CEO, Gokhan Ogut is primarily responsible for the management of day-to-day business operations in line with the strategy and key performance indicators set by the Board. The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. The Chairman promotes a transparent boardroom environment that allows constructive challenge to status quo, robust discussions and debates, effective communication and contribution from Directors to facilitate informed decision making at the Board Meetings. Specific duties of the Chairman and the CEO are available in the Board Charter.

BOARD COMMITTEES

The Board has established six (6) Board Committees; the Audit and Risk, Remuneration, Nomination, Business & IT Transformation, Government and Regulatory Affairs and Share Issuance. These Committees play a significant role in reviewing matters within their respective TOR and supports the Board's discharge of its duties and responsibilities, and in keeping the Board efficient. Each of the Committees have specific written TOR, scope and authority to review matters tabled before the Committee prior to decision-making by the Board as a whole. Membership of these Committees

and their TORs are reviewed at least annually with specific emphasis on updates in regulatory and governance requirements and efficiency of the Committees, including any feedback raised as part of the Board evaluation exercises to ensure that they comply with the latest legal and regulatory requirements and reflect best practice developments. The full TOR of the Board Committees are available on https://maxis.listedcompany.com/corporate_governance.html. During the year, there were changes in the composition of Audit and Risk, Remuneration, Nomination, Government and Regulatory Affairs and Share Issuance Committee and each of the Committees discharged their duties in accordance with their respective TOR.

Each of the Audit and Risk, Remuneration and Nomination Committees comprise a majority of Independent Directors and are chaired by Independent Directors. The Government and Regulatory Affairs Committee and Share Issuance Committee wholly comprise of Non-Independent Directors while Business & IT Transformation Committee comprises a majority Non-Independent Directors. In addition, the Board is supported by ad hoc operational and governance Board Committees with defined authority scopes formed from time to time to facilitate the Board in the discharge of their duties.

At every Board meeting, the Chairman of the respective Committees provide detailed summaries of the reports, deliberations and recommendations made at their respective meetings for the Board's further deliberation and recommend matters that require decisions by the Board. Minutes of all Committee meetings are made available to all members of the Board.

Amongst the matters discussed at Board Committee meetings or via circular resolutions for approvals in between meetings were as follows:

Noted that the Committee members attended all of the Meetings/approved the Circular Resolutions.

Audit and Risk Committee

No. of meeting held during the year: 5 meetings

+ Refer also to the Audit and Risk Committee Report

Key Discussion Topics:

- Financial Performance Review, Reports on Provisions, Judgemental Items, Quarterly Financials, Audited Financial Statements, Draft Announcement to Bursa Securities and Funding and Financial updates
- Review of external auditors report and findings for each quarter
- Enterprise Risk Management
- Internal Assurance reports, key findings, recommendations, and investigations
- Business Continuity Plan for COVID-19
- Return to Office and Standard Operating Policies during the MCO
- Health and Safety Matters
- Code of Business Practice
- Cyber Security and updates on Network and Systems and Security
- Data Privacy and Protection
- Quarterly updates on regulatory, legislation, material litigation, revenue assurance and fraud
- Related party transactions and conflicts of interest situations for both Internal Assurance and External Auditors respectively
- Review of the ARC's procedures and processes for related party transactions
- MABC system related matters
- Audit Plan



Remuneration Committee

No. of meeting held during the year: **6 meetings**

Key Discussion Topics:

- Annual Operating Plan for People and Organisation
- Organisation structure and new senior management (MMT) appointments
- Long Term and Short-Term Incentives
- Culture and MaxisWay initiatives
- Performance and remuneration including annual salary and bonus for employees and the Chief Executive Officer
- Key talents, succession planning and overall diversity
- Learning and development
- Scholarship Scheme

Nomination Committee

No. of meeting held during the year: **6 meetings**

Key Discussion Topics:

- Board and Committees Composition of the Maxis Group with emphasis on the size, skills, independence and diversity
- Director's Independence
- Director's re-election and review of independence
- Director's fees and benefits
- Board, Committees and Directors Evaluation and Effectiveness Assessment
- Review of the ARC's Terms of Office in accordance with Para 15.20 of the MMLR
- MCCG 2021 and governance matters
- Policy on Non-Executive Directors' Remuneration, Expenses and Reimbursement and Mobile Device Policy

Business & IT Transformation Committee

No. of meeting held during the year: **5 meetings**

Key Discussion Topics:

- IT Transformation and Digitalisation
- Innovation
- Maxis' Strategic Ventures and Services
- Strategic and Structural Options
- Enterprise Business and M&As
- Strategy updates

GRAC Committee

No. of meeting held during the year: **5 meetings**

Key Discussion Topics:

- Regulatory matters
- Strategy business matters
- Government engagement/ relations matters

Note: The Share Issuance Committee scope is to review any issuance of shares pursuant to the Sections 75 and 76 of the Companies Act 2016 shareholders mandate as obtained at the AGM each year. The Share Issuance Committee did not meet as there were no issuance of shares during the year 2021.



ETHICAL BUSINESS CONDUCT AND WHISTLE BLOWING

The Board promotes good corporate governance culture to ensure that the Group conducts its business with integrity, in an ethical and transparent manner. To this end, the Board has established Maxis' Code of Conduct (CoC) and the MCOBP. Maxis has zero tolerance on any conduct that constitutes a wrongdoing or malpractice which may include any breach of ethics as described in the CoC and MCOBP, conflict of interests, bribery and corruption, anti-money laundering/ combating the financing of terrorism, and/or any fraudulent act as may be described in the MABC system and other relevant documents. The CoC and MCOBP sets out the conduct expected of all directors, employees and third parties doing business with Maxis or acting on Maxis' behalf. In addition to providing guidance, the MCOBP outlines, inter alia, Group's procedures relating to non-discrimination, whistleblowing, Group's assets and properties, confidential information, personal data protection, insider trading, fraud, conflict of interests, bribery and anti-corruption. Maxis' directors and employees affirm their commitment to the CoC and MCOBP on an annual basis. These documents and policies within it serve as control measures to address and manage the risk of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Maxis Group.

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 but not limited to instances of suspected fraud, bribery, corruption and criminal activity.

Dedicated channels for reporting are under the custody of the Internal Assurance as described below:

- (i) Ethics Hotline: 017-200 3922 (Call, WhatsApp, SMS)
- (ii) Email: 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 alvin@maxis.com.my Senior Independent Director
- (v) Head of Integrity and Governance Unit: nuribi@maxis.com.my

Any malpractice or misconduct will be raised to Internal Assurance Division through the dedicated channels above. The whistleblower's identity remains anonymous, ensuring protection from reprisal. The Defalcation Committee, consisting of members of Senior Management will deliberate on cases reported and update the ARC on the status and outcome of the reported cases from Internal Assurance.

In the event that Senior Management is the subject reported, the establishment of a Special Defalcation Committee; an ad hoc Committee of Directors is triggered to ensure that a fair investigation is conducted. If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken, including but not limited to termination.

+ For further details, please refer to the Corporate Governance Report 2021, and the Material Matters section pages 53 to 55.

BOARD COMPOSITION

The Maxis Board comprises nine (9) Directors, of whom three (3) are Independent Non-Executive Directors; and six (6) are Non-Executive Directors. The CEO is not a Director of the Maxis Board. The CEO is a Director of the operating subsidiaries of Maxis Berhad. The Chairman is Non-Independent Non-Executive Director. The Directors present a diverse mix of qualifications covering accounting, finance, engineering, human resources, business, IT and law whilst their collective skills and expertise include general management, international venture capital, technology/digital/media, finance and treasury, marketing, telecommunications, human resources/people and regulatory/local affairs.

+ The profile of each Director can be found on pages 6 to 10 of this Integrated Annual Report.

The Board is of the view that its composition and size are adequate for the effective discharge of its functions and responsibilities. With its diversity of qualifications, expertise and skills, and the governance structure of the Committees and Board, the Board has been able to provide clear and effective collective leadership to the Group and has delivered informed and independent judgment of the Group's strategy and performance to ensure the highest standards of conduct and integrity are always at the core of the Group's undertakings. None of the Non-Executive Directors participate in the day-to-day management of the Group.

The presence of Independent Non-Executive Directors on the Board and its Committees are essential, as they provide unbiased and impartial opinions and judgment to Board deliberations. This ensures the interests of not just the Group, but also its various stakeholders are taken into account and well-represented. The independence of the three (3) Independent Non-Executive Directors were assessed three times during the year by Spencer Stuart, an independent leadership consulting firm, and in self-assessment forms and the confirmation by the independent directors were that they each are, both in substance and form, independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.



The assessment covers the regulatory definitions of independent directors under the MMLR, and an additional subjective element of independence in substance. This is additionally demonstrated by the conduct and discharge of his/her duties as a director.

+ Details of the independence assessment are available on pages 118 to 123 of the Statement of the Nomination Committee.

As recommended by MCCG 2021 and in accordance with Maxis' Board Charter, the tenure of directorship of more than nine (9) years was taken into consideration, and the specific tenures of Directors were duly reviewed by the NC and Board. The relevant processes and procedures have been provided in the Board Charter and TOR of the NC.

APPOINTMENTS TO THE BOARD

The NC makes independent recommendations for selection and appointments to the Board, based on criteria which they develop, maintain and review based on applicable laws and regulations. The NC may consider the use of external consultants in the identification of potential directors.

In making these recommendations, the NC assesses the suitability of candidates, taking into account the Board's required mix of skills, diversity, knowledge, industry exposure, expertise and experience, professionalism, integrity, competencies, time commitment and other relevant qualities of the candidates, before recommending their appointments to the Board for approval. During the year, there were changes to the Chairman of the Board and the Chairman of the ARC, NC, GRAC and Share Issuance Committee.

BOARD DIVERSITY POLICY

The Board recognises that diversity in its composition is critical in ensuring its effectiveness, competitiveness and adherence to the best corporate governance practices. A diverse board will include and make use of differences in the age, skills, experience, cultural background, gender, ethnicity and nationality of its members to ensure effective governance and robust decision making by the Board. 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 Board regularly review the Board and Committees composition to improve its diversity including its gender diversity.

The annual review of the Board composition determines if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. Based on its annual review in conjunction with the Board effectiveness evaluation exercise, the size of nine (9) directors enables effective oversight and delegation of responsibilities by the Board, taking into account the strategic objectives of Maxis Group.



The background of each Director can be found on pages 6 to 10, demonstrating the Board's Diversity Policy as stated above. Maxis' efforts in diversity is available on page 123 of the Statement of the Nomination Committee.

RE-ELECTION OF DIRECTORS AND TENURE OF INDEPENDENT DIRECTORS

Rule 131.1 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election. Out of the current Board size of nine (9), three (3) Directors are to retire in accordance with Rule 131.1 of the Company's Constitution. For the purpose of determining the eligibility of the Directors to stand for re-election at the Thirteenth AGM, the Board through its NC had assessed each of the retiring Directors, and considered the following:

- (i) The Director's performance and contribution based on the results of the Board Effectiveness Evaluation (BEE) 2021 conducted by Spencer Stuart;
- (ii) The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities; and
- (iii) The level of objectivity, impartiality and independence demonstrated by the Independent Director, and his ability to act in the best interests of the Company

The NC and Board reviewed the suitability of the following Directors (retiring Directors) due for re-election at the forthcoming Thirteenth AGM:

- (i) Tan Sri Mokhzani bin Mahathir
- (ii) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
- (iii) Mazen Ahmed M. AlJubeir

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the results of the BEE 2021.

The NC and Board of the Company have considered the results of the assessment conducted on these Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR. The Board approved the NC's recommendation that the Directors who retire in accordance with Rule 131.1 of the Company's Constitution namely, Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir are eligible to stand for re-election. These three (3) retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings.



Alvin Michael Hew Thai Kheam (AMH) was appointed as Independent Director on 30 August 2012 and will exceed the cumulative tenure of nine (9) years after 30 August 2022. Maxis' shareholders had on 22 April 2021 approved the resolution for AMH to continue to act as an Independent Director from 30 August 2021 to 29 August 2022.

The Board through the NC, has undertaken relevant assessments and recommended for AMH to continue to serve as Independent Non- Executive Director for a further one (1) year period from 30 August 2022 to 29 August 2023 by seeking shareholders' approval at Thirteenth AGM. The NC and Board assessed AMH's independence based on Spencer Stuart's BEE 2021 which reviewed factors that enabled AMH to contribute objectively to Board discussions, and they also considered 360-degree feedback from other Directors on how AMH conducted himself as an Independent Director. Their finding is that his overall independence ranked highly. Spencer Stuart used a capability-based analysis probing the "what" and "how" to assess the elements of independent mindedness (Cognitive and Personality) in board room (including committee) interactions and decision making.



Details of the re-election assessment and the suitability of the three Directors, are available in the Statement of Nomination Committee at pages 118 to 123.

MEETINGS AND ACCESS TO INFORMATION

Directors were given due notice of proposed meetings, allowing Directors to lock in their timings, and for advance planning. The detailed Agendas for each Meeting was shared at least 14 days before each meeting and the detailed Board/Committee meeting materials were shared and uploaded electronically for Board members, 7 days before the respective meetings. Directors participated in Board and Committee meetings via virtual platforms such as Microsoft Teams or conference calls during the MCO. Directors utilised digital means to participate in meetings that were effectively held taking into account the different time zones of the directors based overseas. Minutes of the meetings, together with the summary of the action items were circulated to all members of the Board. Board members are encouraged to ask clarifications, questions or additional information prior to or during the meetings to facilitate effective decision making. The Chairman schedules regular engagement with Board members at each meeting cycle, and these sessions are useful for feedback and clarifications required. The Board and Committees' annual cycle of meetings ensures that all major components of Maxis' strategy and board reserved matters are considered over the course of the year.

Additionally, throughout the year, the Board was furnished with the CEO's report and updates to keep Directors apprised of key business, financial, operational, emerging

issues, corporate, legal, regulatory and industry matters, as and when the need arose. The Board's interaction with Management fosters a healthy, transparent, dynamic and aligned corporate culture. Members of Management gave their full support to the Board, and all additional requests for information and clarification were promptly attended to. The Board deliberated all matters put forward during the meetings. Management received the Board's guidance, took note of the comments and feedbacks from the Directors and agreed with the Directors on proposed actions to be taken, including the decisions.

The COVID-19 pandemic impacted and dominated for the majority of 2021. The Board's resilience was tested with the imperative of remaining fast and agile in its decision-making. The Board was no different but adapted well to operating virtually. The Board invested significant time in assessing and responding to the impact of the pandemic. Management and Board established a framework to consider all critical issues to remain competitive.

Management and the Board stepped up to and embraced this challenge. In 2021, all the scheduled meetings and informal interactions were conducted virtually throughout the year. These regular agile interactions helped build relationships, ideas and evolve thinking on multiple complex topics.

The Board carefully organised virtual meetings with the different time zone of the Directors based overseas, to build and maintain high quality engagements and operate effectively. The Board also observed how the commitment has fully aligned with the Management such as continuous communication, a sense of urgency, agility, and desire to maintain speed of decision making has helped in ensuring the Board can continue to support Management in the timely execution of the strategic priorities.

Agility, working in the new normal with virtual meetings and digital means, and use of technology were implemented successfully during the year.

The Board Charter as published on Maxis' website https://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 each of the 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 has detailed TOR that sets out their scope and authority. The Maxis Group's Limits of Authority Manual clearly outlines key matters reserved for the Board, CEO and Management and levels of accountability.



Matters referred to the Board include decision making in accordance with matters set out in the Board Charter, Company's Constitution, Maxis Group's Limits of Authority and applicable law, matters for guidance and updates. All decisions must be made by majority of the Board or Committees as the case may be, and no single person can influence any decision as there are detailed processes and policies to adhere to. Each of the Chairs of the Board and Committees encourage active participation, constructive challenge and sufficient time for discussion and deliberation of issues, and the decisions and recommendations reflect the consensus in the best interests of Maxis. Directors are given the opportunity to ask for more information or supporting data if the Directors require additional justifications in order to reach a decision.

COMPANY SECRETARY

The Board is supported by the Company Secretary who provides advisory services, particularly on applicable governance best practices, corporate administration and Board processes to facilitate overall compliance with the MMLR, Companies Act 2016 and applicable laws and regulations. The Board members have full access to the Company Secretary. The Company Secretary ensures that the Directors are provided with sufficient information and time to prepare for Board and/or Committee meetings. To this, the meeting materials are made accessible to the Directors on their devices within reasonable periods prior to the meetings. The Company Secretary also prepare the minutes of meetings in a timely manner and informs management of the action items, and facilitates requests from the Board.

The Company Secretary also facilitates the induction of new Directors and addresses the continuous training needs of Directors identified pursuant to the Board Effectiveness Evaluation each year. The Company Secretary 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. She has over 28 years of company secretarial and governance experience. She attends trainings, seminars, and keeps herself up to date on applicable laws and governance matters.

INDUCTION AND SUCCESSION PLANNING

A comprehensive on-boarding programme has been established to ease new Directors into their new role and to assist them in understanding of the environment the Group operates in, the Group's business strategy and operations. On appointment to the Board and Committees, all Directors will receive an induction which is tailored to the new Director's individual requirement. All new Directors are

required to attend the programme as soon as possible, once appointed. Members of the Committees appointed during the year underwent induction and familiarisation programmes for the respective Committees.

Maxis actively monitors and evaluates the tenure of Independent Directors to provide Board members the opportunity to reassess their memberships as part of its succession planning. Succession planning is always a priority to ensure that there will be a steady pool of talent to fill vacancies in Board and Senior Management positions.

BOARD EFFECTIVENESS EVALUATION

Practice 6.1 of the MCCG 2021 recommends that the Board undertake an annual Board Effectiveness Evaluation. In 2021, Spencer Stuart was appointed to conduct the Board Effectiveness Evaluation (BEE 2021). The BEE 2021 was overseen by the Chair of the NC together with the Chair of the Board. This BEE 2021 evaluated the effectiveness of the Board of Directors, each of the Committees of the Board, each of the nine (9) Directors and assessments of the three (3) independent directors. A three (3) pronged methodology was conducted by Spencer Stuart for BEE 2021, which were:

- (i) Individual detailed interviews conducted with every Director, the CEO, CFSO, Company Secretary and selected members of Management. The benefits are that it fosters candid discussions, captures nuances, reveals insights not achievable through paper only exercise, covers qualitative as well as quantitative findings, provides 360 degree feedback that fosters development of Directors, and enables the determination of level of independence of independent directors.
- (ii) Benchmarking with select best-in-class global boards to elucidate enhancement opportunities to enable Maxis to become world-class when benchmarked against best practices.
- (iii) Enhancement hypotheses tested with Board of Directors, to ensure that the recommendations were relevant to, and pragmatically implementable within Maxis' context.

The outcome of the BEE 2021 revealed that the Maxis Board is considered to be highly professional and well run. The independent directors demonstrate their independence in their contributions and behaviours. Some of the key themes were as follows:

1. The Board has open and constructive dialogue and good rapport amongst Board members as well as a good relationship between the Management team and the Board.
2. The Independent Directors are unafraid to challenge the rest of the Board and the Management Team.
3. These qualities have persisted despite the virtual nature of meetings and interactions in 2021.



4. The Chairman (who took office as Chairman in April 2021) is well respected for his wisdom and insights, particularly regarding the Malaysian context and Maxis' environment. The Chairman is appreciated for his facilitation of robust discussions at the Board.

Some of the areas for enhancement and for the Board's further improvement are summarised as follows:

1. Succession planning for the Board
2. Enhancement of expertise on digital transformation and enterprise services
3. Better alignment of agendas and discussions at Committees and the Board agenda to allocate Board meeting time more effectively and to prioritise for strategic topics
4. Enhancement of sustainability discussions on the Board Agenda to be in line with the MCCG 2021 and to keep tabs on industry best practices

Independent Directors

The Company had also engaged Spencer Stuart to conduct an assessment on the three (3) independent directors, namely Dato' Hamidah Naziadin, Alvin Hew and Mazen Ahmed M. AlJubeir. One of the primary objectives of the review was to determine and report to the Board whether the Company's existing Independent Directors, are "independently minded". Spencer Stuart defines this as "taking a stand to set out and defend a position, even when this means going it alone, and managing the resultant conflict situations to maintain positive relationships".

Spencer Stuart focused on two key elements as part of their assessment – (i) Cognitive, the Director's ability to interpret and analyse situations independently and (ii) Personality, the Director's preparedness to stand alone and argue against the majority.

Additionally, in making its assessment of 3 directors independence, Spencer Stuart considered factors which enabled the directors to contribute objectively to Board's discussions as an Independent Director but also 360 degree feedback from other Directors showing how each of them have actually conducted himself/herself as an Independent Director (which demonstrate ability to conduct himself/herself in ways that assert his/her independence). Spencer Stuart has found the 3 directors overall independent mindedness to rank highly based on their assessment. Spencer Stuart used a capability-based analysis probing the "what" and "how" to assess the elements of independent mindedness (Cognitive and Personality) in board room (including committee) interactions and decision making.

+ Details of the Board Effectiveness Evaluation are available in the Statement of Nomination Committee.

TRAINING AND DEVELOPMENT OF DIRECTORS

The Board has taken steps to ensure that its members have ongoing access to appropriate continuing education programmes. Training includes talks, online tools, reading materials, briefings, workshops and seminars by subject matter experts. The NC and the Board assess the training needs of each Director on an ongoing basis, by determining areas that would best strengthen his/her contributions to the Board. Directors are also encouraged to attend talks, briefings, workshops and utilise online learning tools, reading materials and trainings on areas that would benefit them in their roles and responsibilities. In line with Para 15.08 of the MMLR, the Directors recognise the importance of keeping apprised of operational, legal, regulatory and industry matters to assist in the discharge of their functions.

Amongst others, the Directors of the Company, attended various training programmes:

- (i) Maxis Anti-Bribery and Corruption (MABC) with an updated Integrity Pledge by Maxis Berhad Board
- (ii) Investors Perspective on ESG by PwC and Citibank
- (iii) Cybersecurity Threats Landscape by Mandiant Consulting (APAC), Fireeye
- (iv) Maxis Sustainability Strategy, Policy & Plan by Maxis Berhad
- (v) Driving Climate Change through Executive Compensation by Climate Governance, Willis Tower Watson
- (vi) Board Strategy Workshop by Bain & Company

Directors have also on their own attended various webinars and talks on multitude subjects on governance, operational matters and business development.

In addition, online learning tools are made available to all Directors, and the external auditors share relevant publications with all the Directors. Members of Management regularly update the Board on Maxis and the industry related operational, technology, financial, regulatory and governance developments. Prior to each Board Meeting, the Directors receive detailed pre-reads from Management that provide information and background relevant to matters on the Agenda. The information includes details on the Group's competitors, industry and technological developments and regulatory updates.

REMUNERATION OF DIRECTORS AND MAXIS MANAGEMENT TEAM

The Board has delegated to the Remuneration Committee the responsibility to oversee and recommend the structure of the remuneration policy and frameworks for the Directors and Maxis Management Team. Recommendations by the



Remuneration Committee are considered, reviewed and if in order approved by the Board. Maxis' remuneration policy and framework has been developed to attract, reward and retain qualified 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 for the Chairman, 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 by the Remuneration Committee on an annual basis.

A report produced by AON Hewitt in the year of 2020 was taken as reference 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.

In the year 2020/2021, 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).

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 the directors' fees for the Company's subsidiary. The shareholders' resolution for payment of directors' fees and benefits is for the period commencing from the conclusion of the forthcoming Thirteenth AGM up till the conclusion of the next AGM of the Company in 2023. The details are contained in the Notice of the forthcoming Thirteenth AGM.

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The aggregate emoluments received by the Directors of the Company during the financial year ended 31 December 2021 are as stated on the following:

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 ⁽¹⁾	386,352.67	13,252.33					399,605.00
Tan Sri Mokhzani bin Mahathir ⁽²⁾	458,910.13	-					458,910.13
Robert Alan Nason	402,682.67	-					402,682.67
Dato' Hamidah Naziadin	360,686.67	-					360,686.67
Alvin Michael Hew Thai Kheam	397,436.18	-					397,436.18
Mohammed Abdullah K. Alharbi	290,678.67	-					290,678.67
Mazen Ahmed M. AlJubeir	320,898.54	-					320,898.54
Abdulaziz Abdullah M. Alghamdi	290,678.67	-					290,678.67
Lim Ghee Keong	324,463.20	-					324,463.20

Notes:

Save as disclosed above, no other remuneration has been paid to the Directors by the Company and/or its subsidiaries.

⁽¹⁾ Stepped down as Chairman on 22 April 2021 and re-designated from Independent Non-Executive Director to Non-Executive Director on 18 October 2021.

⁽²⁾ Appointed as Chairman on 22 April 2021 and re-designated from Independent Non-Executive Director to Non-Executive Director on 18 October 2021.



B EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK COMMITTEE, RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Audit and Risk Committee (ARC) is chaired by Alvin Michael Hew Thai Kheam and comprises majority Independent Directors. The Chairman and members of the ARC are financially literate, have extensive business experience, and with each member having skill sets that allow the ARC to effectively discharge its duties and responsibilities in accordance with the TOR of the ARC. The Chairman, Alvin Michael Hew Thai Kheam is not the Chairman of the Board. The separate Chairman of the respective Board and the ARC promotes robust and open deliberations by the Board on matters referred by and/or recommended by the ARC. The roles, responsibilities and activities of the ARC in respect of effective audit and risk management are explained in the ARC Report on pages 124 to 128 of the Integrated Annual Report. The terms of office and performance of the ARC are reviewed by the NC annually in accordance with Para 15.20 of the MMLR, and in addition the independence of each of its independent members were reviewed by the NC.

The Group has the following processes in place for effective audit and risk management.

(I) Accountability and Audit

The Directors endeavour to present a clear, balanced and comprehensive assessment of the Maxis Group's financial position, performance and prospects. This also applies to other price-sensitive public reports and reports to regulators.

The ARC places great emphasis in the evaluation of the suitability, objectivity and independence of the external auditors in providing transparent reports to the shareholders. Accordingly, the ARC is guided by Maxis' External Audit Independence Policy (EAIP) to assess the external auditors' independence. The Committee also reviewed the annual assessment conducted on the effectiveness of the external auditors which covered eight categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees. The ARC is also guided by the requirements as set out in Para 15.21 of the MMLR in considering the annual assessment on the suitability,

objectivity and independence of the external auditors. As specified in the Board Charter and TOR of the NC, the ARC shall not appoint a former partner of the external audit firm as its member unless a cooling-off period of at least three (3) years has been observed prior to the appointment.

(II) Conflict of Interest and Related Party Transaction (RPT)

The Group has in place procedures and guidelines and internal controls to ensure that related party transactions including recurrent related party transactions have been or will be entered into on normal commercial terms and on terms which are or will not be more favourable to the transacting parties than those generally available to third parties dealing at arm's length and are not or will not be to the detriment of the Company's non-interested shareholders. The review and approval processes, policies and procedures for RPT ensure that the transaction prices, terms and conditions of agreements and the quality of products/services are comparable with those prevailing in the market. This is to ensure that the terms of the transactions are neither favourable to the related party nor detrimental to the Group's minority shareholders. The Group tracks the status of mandated Recurrent RPTs monthly to ensure all transactions are within the limits and plan the compliance processes if required. In addition, the Group has a conflict of interest policy to ensure that the ARC reviews such situations, and to recommend to the Board accordingly. In the event that a member of ARC or Board has an interest and/or deemed interest in any particular RPT, he or she shall declare his or her interest in the RPT and will have to refrain from any deliberation and also abstain from voting on the matter at the ARC meeting and/or Board meeting in respect of that RPT. It is the Maxis Group's policy to ensure that all of our transactions regardless of whether they are RPTs or not, must comply with our Group's Procurement Policy and Standards (PPS) and the Manual of Limits of Authority (LOA). The purpose of the PPS and LOA is to ensure that all transactions are carried out in the best interests of the Group. The LOA sets out the levels of authority and guides internal management in their control over our Group's capital and operating expenditure. The purpose of the PPS is to ensure that competitive bidding principles and transparent procedures are observed in the procurement of goods and services.



(III) Risk Management and Internal Control

The Board of Maxis, is fully committed to articulating, implementing and reviewing a sound and effective risk management and internal control environment, in line with Intended Outcome 10.0 MCCG 2021 that the Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Group’s objectives is mitigated and managed. The ARC, supported by internal audit function, provides an independent assessment of the effectiveness of the Maxis Enterprise Risk Management (ERM) framework and reports to the Board on yearly

basis. Key elements of the Group’s control environment include Organisation Structure, Audit and Risk Committee, Internal Assurance, Code of Conduct and Code of Business Practice, Integrity and Compliance, Anti-Bribery and Corruption, Revenue Assurance, Subscriber Fraud Management, Business Continuity Planning, Regulatory, Legal, Company Secretary, Limits of Authority, Policies and Procedures, Financial and Operational Information, Data Privacy, Data Protection and Cybersecurity.



Detailed reports on the Group’s Audit and Risk Management can be found on pages 124 to 128 and 130 to 137 of this Integrated Annual Report.

© INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of providing effective communication platforms to provide clear, accurate and valuable insights on the Group’s performance and position to its various stakeholders. This allows stakeholders to make informed decisions with respect to the business of the Group. The Board recognises that our stakeholders have a legitimate right to know how the Company is doing and endeavours to provide timely and transparent disclosures, releasing all required/material announcements immediately when matters are triggered.

Other than to issue our Integrated Annual Report and release our financial results, Maxis has been promoting proactive engagement and communication with our shareholders and other stakeholders through media releases, an online Investor Relations section and online Newsroom which can be accessed at www.maxis.com.my

The Annual General Meeting (AGM) and General Meetings are also the primary platforms for direct two-way interaction between the shareholders, Board and Management of the Company.

Please also refer to the Key Stakeholder Engagement section on pages 51 to 52 of this Integrated Annual Report. Maxis has provided the relevant contact details for queries and/or concerns regarding the Group under the Corporate Information Section.

OUR COMMITMENT TO COMMUNICATING WITH OUR SHAREHOLDERS INCLUDING INVESTORS AND STAKEHOLDERS

Maxis is committed to maintaining high standards of corporate disclosure and transparency. Our disclosure policy is based on the following three key principles:

- (i) Maintain open and regular communication with all shareholders and stakeholders;
- (ii) Disseminate financial and strategic updates in a timely and transparent manner; and
- (iii) Ensure equal treatment and protection of shareholders’ interests.

Maxis has embarked on a three-year integrated reporting journey to provide comprehensive and transparent disclosure of our objectives, strategies and performance while demonstrating our commitment to create long-term value for all stakeholders. This year, we enhanced our Value Creation Model to provide our stakeholders with a clear understanding on how Maxis, through our strategic endeavors, maintains our competitive advantage while creating long-term value for all stakeholders. Also, we reassessed and updated our material matters and mapped our risk and opportunities to our identified top eight (8) material matters. The assessment is expanded to include input from more stakeholder groups and ensured that the overall assessment is guided by the enterprise risk management framework as well as Bursa Malaysia’s Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia Toolkit. We disclosed Maxis’ management of the

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impacts arising from changes in the operating landscape and Maxis' demonstration of its focus on the wellbeing of our employees, managing the health of our business, and delivering great customer experience. We also mapped the reporting of our business performance with five (5) clearly outlined long-term value creation outcomes we aim to achieve for all stakeholders. We also 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.

CONDUCT OF AGM AND GENERAL MEETINGS

A fully virtual AGM was held on 22 April 2021 in accordance with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, released by Securities Commission Malaysia and Maxis' Constitution, and in adherence with the applicable Standard Operating Procedures for meetings. All nine (9) members of the Board were present at the AGM, with four (4) directors attending physically and remaining five (5) directors attending using remote platform. The Chairman, CEO, CFO, Company Secretary, external auditors and key essential individuals were physically present at the AGM venue.

The AGM utilised technology and virtual platforms, that allowed the participation of shareholders at the AGM, and included answering questions from shareholders. The Chairman also read out responses to the questions raised by the Minority Shareholder Watch Group (MSWG). Maxis posted the summary of the AGM and the Questions and Answers (Key Matters Discussed) including the responses to MSWG at the Maxis website in accordance with Para 9.21(2)(b) of MMLR. Shareholders are welcome to raise queries by contacting Maxis at any time.

The Board has taken reasonable steps to encourage shareholder participation at general meetings as follows:

- (i) Shareholders are encouraged to participate in the Question-and-Answer session.
- (ii) Written answers will be provided to any significant questions that cannot be readily answered during the AGM.
- (iii) Shareholders are welcome to raise queries by contacting Maxis at any time.
- (iv) Maxis issues adequate notice of AGM, which exceeds the 21 days as per the Companies Act 2016 and MMLR prescribed notice period and at least 28-day notice prior to the AGM as per Practice 12.1 of MCG 2017.
- (v) Queries from shareholders pertaining to the Integrated Annual Report may be directed to this email: ir@maxis.com.my.

SUSTAINABILITY MANAGEMENT

The Board is committed to ensuring that our strategic plans support long-term value creation and incorporates the key principles of Environmental, Social and Governance (ESG) in underpinning sustainability. In 2021, this was done through a review of Maxis' material matters by key business representation of key divisions in Maxis and was thereafter validated by the CEO and Management Team. The material matters are detailed on pages 53 to 55. The material matters were deliberated and validated by our Management Team and our Board of Directors is cognisant of our material matters.

The Board holds the ultimate accountability of Maxis' sustainability strategy, with the various Board Committees overseeing the overall implementation of our sustainability agenda and monitoring the progress of our sustainability goals.

Our sustainability strategy is currently led and driven by the CEO, with progress and key developments escalated to the Board. The CEO, together with the Management Team meets with key divisions and project teams on a weekly and monthly basis to ensure oversight of execution of strategies, initiatives and achievement of targets.

To further institutionalise sustainability within our business processes and operations, we are in the process of formalising a Sustainability Steering Committee that will oversee the management of sustainability matters at Maxis. This committee will comprise Maxis' Management Team and members of key business units. We will be establishing a reporting cadence specifically for sustainability matters, with the CEO and Sustainability Steering Committee to provide quarterly updates to the Board. We will also look towards further integrating sustainability within the business operations.

Additionally, we are enhancing our internal processes and policy to consolidate and monitor ESG data that is reported within the Company in line with our ambition to get external assurance on non-financial information.

ALWAYS BE AHEAD

The Board is fully committed to compliance with regulatory requirements under the MMLR, MCG 2021, the applicable rules and regulations, and in steering the Maxis vision as a leading converged solutions provider.



The Board's processes, proceedings and governance structure are constantly assessed and benchmarked to remain competitive, refreshed and agile with a continued focus on strategy, governance and compliance.

Key focus areas in 2022 include intensifying efforts to enhance the Board's composition, dynamics and succession planning of Board members and Management. The Board has put in place an Integrity Governance Unit in 2020, and implemented the MABC system that include amongst others continued emphasis on anti-bribery and corruption training, integrity pledges and communication of the updated CoBP to Directors, employees and third parties.

Further, during the new normal to continue fostering positive interaction between the Board and Management at all levels, while supporting a growth and innovative mindset, there will be virtual engagements with Management, interactive workshops, training sessions, encompassing areas such as operations, risk management, cybersecurity and anti-bribery and corruption. The Board is committed to providing oversight, and working together with Management beyond internal Board and management interactions, but also considering Group strategy and value creation (for wider stakeholders) and strategic opportunities. As an ongoing effort for the next few financial years, the Board will continue to benchmark itself against other comparable international digital and technology companies.

GROUP WIDE FRAMEWORK OF CORPORATE GOVERNANCE POLICIES

The directors had put in place and communicated to the Company and subsidiaries (the Maxis Group) a group wide framework on corporate governance include a code of conduct and business practice, policies and procedures on anti-bribery and corruption, whistleblowing, managing conflict of interest, managing material sustainability risks and board diversity. The Company and its directors have complied with the Guidelines on Conduct of Directors of Listed Corporation and their Subsidiaries issued by Securities Commission Malaysia. The Directors are also responsible to oversee the implementation of policies and procedures for Corporate Governance from time to time to ensure it is up-to-date. The following items can be downloaded from Maxis' corporate website at <https://maxis.listedcompany.com/ar2021.html>:

- 1 Integrated Annual Report 2021
- 2 Corporate Governance Report 2021
- 3 Circular to Shareholders for Recurrent Related Party Transactions 2022/2023
- 4 Policy on Non-Executive Directors' Remuneration, Expenses and Reimbursement and Mobile Device Policy
- 5 Board Charter
- 6 Terms of Reference of the Audit and Risk Committee, Remuneration Committee, Nomination Committee, Business & IT Transformation Committee and Government and Regulatory Affairs Committee
- 7 Board Diversity Policy
- 8 Conflicts of Interests and Related Party Transactions Procedures and Guidelines
- 9 Policy in Dealings in Securities by Directors and Principal Officers
- 10 Policy on Conflicts of Interest
- 11 Code of Business Practice (CoBP)
- 12 Anti-Bribery and Corruption Policy Statement
- 13 No Gift Policy
- 14 CoBP for 3rd Party
- 15 Maxis 3rd Party Integrity Pledge
- 16 Cybersecurity Compliance Requirement
- 17 Whistle Blowing Policy
- 18 Company's Constitution
- 19 Summary of 12th AGM Minutes



Statement of the Nomination Committee

The NC comprises members who are Independent Non-Executive Directors and Non-Independent Non-Executive Directors as follows:

- (i) Mazen Ahmed M. AlJubeir (Chairman), appointed as Chairman on 22 April 2021, Independent Non-Executive Director
- (ii) Tan Sri Mokhzani bin Mahathir, Non-Independent Non-Executive Director
- (iii) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, Non-Independent Non-Executive Director
- (iv) Dato' Hamidah Naziadin, Independent Non-Executive Director
- (v) Alvin Michael Hew Thai Kheam, Independent Non-Executive Director

ROLES AND ACTIVITIES OF THE NC IN 2021

The NC met six (6) times during the financial year, with full attendance. The following activities or area of focus for the year are as below:

Roles

The NC assists the Board with the following matters in undertaking its roles and responsibilities, to sustain the Group as a leading converged solutions provider in the ever changing regulatory and market environment:

- Oversee the composition and performance of the Board, and each of the Committee including Board skills, experience and diversity.
- Director's independence in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), in substance and form.
- Director's time commitment to the Board and Committees.
- Assessment of Directors on an ongoing basis, including any training or development needs.
- Recruitment, selection and succession planning of the CEO, members of the Board and Board Committees.
- Facilitating board induction for new directors, and members of Committees.
- Reviewing the training requirements for the directors.

KEY ACTIVITIES DURING THE YEAR UNDER REVIEW

Board and Committees Composition

- Reviewed Board and each of the Board Committee compositions, skills, experience, strength, quality and diversity, and time commitment of each Director and member in fulfilling their responsibilities including the changes in compositions of Audit and Risk Committee, Nomination Committee, Government and Regulatory Affairs Committee, Share Issuance Committee, Business & IT Transformation Committee and Remuneration Committee as well as all the Terms of Reference (TOR).
- Reviewed the performance of Directors including director standing for re-election in accordance with the requirement of Para 2.20A of the MMLR that each of its director, has the character, experience, integrity, competence and time to effectively discharge his role as a director.
- Reviewed the terms of office and performance of ARC members in accordance with Para 15.20 of the MMLR and that the ARC members carried out their scope in accordance with the Terms of Reference of ARC.
- Benchmarking study on the Board size and general review of size of comparable Boards and Committees.
- Reviewed the independence of directors namely Dato' Hamidah Naziadin, Alvin Michael Hew Thai Kheam and Mazen Ahmed M. AlJubeir as the Independent Non-Executive Director of Maxis based on the outcome of the assessment of independence carried out by the Spencer Stuart, an independent leadership consulting firm.
- Redesignation of Alvin Michael Hew Thai Kheam as Senior Independent Director.
- Changes in the Committees Memberships as sets out in the table on page 119.



Directors	Changes	Effective date
Tan Sri Mokhzani bin Mahathir	(i) Redesignated from Independent Director to Chairman of the Board	22 April 2021
	(ii) Resigned as Chairman of ARC	
	(iii) Resigned as Senior Independent Director	
	(iv) Appointed as Chairman of Share Issuance Committee	
	(v) Redesignated as Chairman of GRAC	
	(vi) Redesignated from Independent Director to Non-Independent Non-Executive Director	18 October 2021
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	(i) Redesignated from Chairman of the Board to Independent Director	22 April 2021
	(ii) Redesignated from Chairman of NC to Member of NC	
	(iii) Redesignated from Chairman of GRAC to Member of GRAC	
	(iv) Appointed as the Senior Independent Director in place of Tan Sri Mokhzani bin Mahathir	
	(v) Resigned as Member of Share Issuance Committee	18 October 2021
	(vi) Redesignated from Independent Director to Non-Independent Non-Executive Director	
	(vii) Resigned as Senior Independent Director	
	(viii) Resigned as Member of RC	
	(ix) Resigned as Member of ARC	
Mazen Ahmed M. AlJubeir	(i) Redesignated from Member of NC to Chairman of NC	22 April 2021
	(ii) Appointed as member of ARC	18 October 2021
Alvin Michael	(i) Appointed as Chairman of ARC	22 April 2021
Hew Thai Kheam	(ii) Appointed as the Senior Independent Director in place of Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda	18 October 2021
	(iii) Appointed as Member of RC	

BOARD EFFECTIVENESS EVALUATION (BEE)

- Oversight of the process of the BEE for 2021 by Spencer Stuart, which include the Board, Board Committees, individual Directors and Independent Directors' Assessments.
- Review of the assessment process for the BEE and the scope of the evaluation and report.
- Evaluated the feedback, areas for implementation and training requirements arising from the BEE in 2021.
- Communicated with the Board and Management on the key areas arising from the BEE that included structure of Committee and Board meetings and pre-reads, that was applied during virtual meetings, ongoing development of directors, and to structure Board and Committee meetings with more discussions and Qs and As.
- Reviewed of the assessment of directors on a regular basis with reference to MABC system and Fit and Proper criteria as per Bank Negara Malaysia guidelines as a benchmark, the update on Securities Commission's Policy and Guidelines on Conduct of Directors of Listed Corporation and their subsidiaries and MCCG 2021.

+ Further details on the BEE is set out in the CG Overview Statement on page 111 of this report.



Statement of the Nomination Committee

DIRECTORS INDEPENDENCE

- Review of the independence and tenure of Independent Directors including an assessment of the directors in accordance with the MMLR and their objectivity in discharging their responsibilities as an Independent Director.

Note: *The independence of the three (3) Independent Non-Executive Directors were assessed three times during the year by Spencer Stuart, and in self-assessment forms and the confirmation by the independent directors was that they each are, both in substance and form, independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The assessment covers the regulatory definitions of independent directors under the MMLR, and an additional subjective element of independence in substance. This is additionally demonstrated by the conduct and discharge of his/her duties as a director.*

- Review the independence of Director, Mazen Ahmed M. AlJubeir whose due to retire by rotation pursuant to Rule 131.1 of the Company's Constitution at forthcoming AGM.
- Review the tenure of the independence of Director, Alvin Michael Hew Thai Kheam, whose tenure will exceed the cumulative tenure of nine (9) years after 30 August 2022.
- Review the tenure of the independence of Director, Dato' Hamidah Naziadin, whose tenure will exceed nine (9) years after 1 February 2023.

DIRECTORS' DUE TO RETIRE UNDER RULE 131.1 OF THE COMPANY'S CONSTITUTION AND RE-APPOINTMENT AT THE FORTHCOMING AGM

Considered the re-appointment and re-election of Directors namely Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir who were due to retire at the forthcoming AGM on 28 April 2022, based on the following assessment of the Directors in addition to the requirements of Para 2.20A of the MMLR:

- (i) performance and contribution based on the evaluation results of the BEE 2021 as conducted by Spencer Stuart; and deliberations of their skills, experience and strength in qualities; and
- (iii) level of objectivity, impartiality and their abilities to act in the best interests of the Company.

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the outcome of the BEE 2021. In addition to the BEE, each of the directors were evaluated by Spencer Stuart and the independent reports that highlighted their strengths and areas for improvement were shared with the Chairman of the Board and the Chairman of the NC.

The profiles of these retiring Directors are set out on pages 6 and 8 of the Company's Integrated Annual Report for the financial year ended 31 December 2021. Tan Sri Mokhzani bin Mahathir holds 750,000 shares and deemed interest of 1,000 shares in Maxis Berhad. Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda holds 750,000 shares in Maxis Berhad while Mazen Ahmed M. AlJubeir does not hold any shares in Maxis Berhad. Each of them has no family relationship with any Director and/or major shareholder of Maxis Berhad, have no conflict of interests with Maxis Berhad and have not been convicted of any offence within the past five (5) years and have not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2021.

GOVERNANCE

- Review of the governance applications of Companies Act 2016 and Malaysian Code on Corporate Governance 2021 (MCCG 2021), and compliance thereto.
- Review of the departures from MCCG 2021 and recommended actions including the review of the requirements of independent and women Directors, including the next steps that included search for directors with combination of skills, experience and strength in qualities which are relevant to Maxis.
- Review Directors' duties, responsibilities, benefits and fees in relation to the respective Board Committee TORs.
- Review of the Board Committees' TORs, and that the Committees have discharged their functions under the respective TORs including the requirement to include any further amendments.

REMUNERATION

- Review the Policy on Non-Executive Directors' Remuneration, Expenses and Reimbursement and Mobile Device Policy.
- Review the Directors' Fees for Board and Committees, including ad hoc Committees of the Board in relation to the skill sets and time spent based by each director at the respective Committees and number of meetings with reference to the independent evaluation undertaken by Spencer Stuart.

Note: *The NC reviews Directors' fee and other benefits for alignment on the time spent before making recommendations to the Board. The RC is authorised to oversee the entire remuneration structure in order to ensure alignment with the Company's policy.*



BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTOR'S EFFECTIVENESS EVALUATION

The NC assesses the effectiveness of the Board, Board Committees and the contribution of each Director on an annual basis to enhance efficiency, identify strengths and potential improvements areas.

SELF-ASSESSMENT BY MAXIS' DIRECTORS

Each Director also undertook a self-assessment of their individual performance and independence during the financial year based on the criteria as prescribed under Para 2.20A of MMLR that include factors such as character, experience, integrity, competence, and time committed in order to discharge their respective roles as Directors of Maxis, and these assessments also underpin the Board's fit and proper policy in alignment with the MMLR. These criteria are also used prior to the selection and consideration of Directors, the CEO and CFSO, and also as an assessment to consider the suitability of the re-election of Directors.

BOARD EFFECTIVENESS EVALUATION

The outcome of the BEE 2021 as conducted by Spencer Stuart revealed that the Maxis Board is considered to be highly professional and well run. The independent directors demonstrate their independence in their contributions and behaviours. Some of the key themes were as follows:

1. The Board has open and constructive dialogue and good rapport amongst Board members as well as a good relationship between the Management team and the Board.
2. The Independent Directors are unafraid to challenge the rest of the Board and the Management Team.
3. These qualities have persisted despite the virtual nature of meetings and interactions in 2021.
4. The Chairman (who took office as Chairman in April 2021,) is well respected for his wisdom and insights, particularly regarding the Malaysian context and Maxis' environment. The Chairman is appreciated for his facilitation of robust discussions at the Board.

Some of the areas for enhancement and for the Board's further improvement are summarised as follows:

1. Succession planning for the Board.
2. Enhancement of expertise on digital transformation and enterprise services.

3. Better alignment of agendas and discussions at Committees and the Board agenda to allocate Board meeting time more effectively and to prioritise for strategic topics.
4. Enhancement of sustainability discussions on the Board Agenda to be in line with the MCCG 2021 and to keep tabs on industry best practices.

REVIEW AND ASSESSMENT OF THE TERMS OF OFFICE OF THE AUDIT AND RISK COMMITTEE OF MAXIS BERHAD PURSUANT TO PARA 15.20 OF THE MMLR

During the year, the NC and Board reviewed terms of office, assessment and performance of the Audit and Risk Committee (ARC), each of the members and the discharge of the ARC's duties in compliance with the TOR of the ARC in accordance with Para 15.20 of the MMLR. The NC and Board were satisfied that the ARC and its members had carried out their duties in accordance with the ARC's TOR.

THE RESULTS OF THE NC'S ASSESSMENT OF THE ARC WERE AS FOLLOWS:

1. The ARC's independence is satisfactory. The Committee's actions reflected its independence from Management or any related parties and act freely from any conflict of interests.
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. ARC reviewed and report 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
5. The ARC reviewed related party transactions and conflict of interest situations, including the quarterly review of the Recurrent Related Party Transactions Mandate for 2021/2022.

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6. The ARC Chairman presented a formal detailed report to the Board about the proceedings of the ARC.
7. The ARC is committed and has the competence, integrity, sufficient skills, experience, time and resources to undertake their duties.
8. The ARC was satisfied that appropriate internal and external supports and resources are available to the ARC.

ASSESSMENT OF DIRECTORS STANDING FOR RE-ELECTION AT THE FORTHCOMING THIRTEENTH AGM

The NC is responsible for recommending to the Board, Directors who are retiring and are standing for re-election at the Annual General Meeting.

1. Directors Retiring by Rotation pursuant to Rule 131.1 of the Constitution

The NC and the Board also considered the assessment of the following three (3) Directors (the retiring Directors) standing for re-election at the forthcoming Thirteenth AGM pursuant to Rule 131.1 of the Company's Constitution, and collectively agreed that they meet the criteria regarding their character, experience, integrity, competence and time committed to effectively discharge their respective roles as Directors as prescribed by Para 2.20A of the MMLR:

- (i) Tan Sri Mokhzani bin Mahathir
- (ii) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
- (iii) Mazen Ahmed M. AlJubeir

The NC and Board had assessed each of the retiring directors, and also considered the following:

- (i) performance and contribution based on the Self-Assessment (SA) results and BEE 2021 as conducted by Spencer Stuart;
- (ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities; and
- (iii) level of objectivity, impartiality and their abilities to act in the best interests of the Company.

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the Directors' SA results and the BEE 2021. The Board approved the NC's recommendation that the Directors who retire in accordance with Rule 131.1 of the Company's Constitution namely, Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir are eligible to stand for re-election. The profiles of these retiring Directors are set out on pages 6 and 8 of the Company's Integrated Annual Report for the financial year ended 31 December 2021.

If Mazen Ahmed M. AlJubeir (Mazen)'s re-election is approved by shareholders at the Maxis' upcoming Thirteenth AGM on 28 April 2022, he will assume the position of a non-independent non-executive director following the conclusion of the AGM. This position arises as a result of the amendments to the MMLR on 13 August 2020 which has effectively required all independent directors appointed after 1 October 2020 to observe a 3-year cooling off period if they have been a non-independent director before that. Mazen was a non-independent non-executive director of the Maxis Board up until 24 April 2020, when he was re-designated as an independent non-executive director of the Maxis Board. However in light of the requirement under the MMLR, Mazen will not be in a position to satisfy this new criteria at the point of his re-appointment at the upcoming AGM. Accordingly, if his re-election to the Maxis Board is approved by shareholders, he will assume the role of a non-independent non-executive director of the Maxis Board.

2. Extension of independence pursuant to MCCG 2021

Alvin Michael Hew Thai Kheam (AMH) was appointed as Independent Director on 30 August 2012 and will exceed the cumulative tenure of nine (9) years after 30 August 2022. Maxis' shareholders had on 22 April 2021 approved the resolution for AMH to continue to act as an Independent Director from 30 August 2021 to 29 August 2022.



The Board through the NC, has undertaken relevant assessments and recommended for AMH to continue to serve as Independent Non-Executive Director for a further one (1) year period from 30 August 2022 to 29 August 2023 by seeking shareholders' approval at the Thirteenth AGM based on the following justifications:

- a. AMH has fulfilled the criteria of Independent Director as stated in the MMLR.
- b. AMH has demonstrated his objectivity and independence when providing his views and contributions as a member of the Board when considering Board-related matters and in discharging his responsibilities as Director.
- c. The length of time that he has remained in office does not interfere with his abilities to exercise independent judgment as an Independent Director.
- d. AMH, together with the other Independent Directors, each function as a check and balance to the Board and exercise objectivity as Directors.
- e. AMH has vast experience, knowledge and skills in a diverse range of businesses and therefore provides constructive opinion, counsel, oversight and guidance as a Director. His insights and guidance provide impartiality to matters considered at meetings of the Board and Committees.
- f. AMH has devoted sufficient time and attention to his professional obligations to Maxis required for informed and balanced decision making.
- g. Spencer Stuart has found AMH's overall independent mindedness to rank highly based on their assessment. Spencer Stuart used a capability-based analysis to assess the elements of independent mindedness (Cognitive and Personality) in board room (including committee) interactions and decision making. This is further validated by 360 degree feedback from fellow Directors and Senior Management.

BOARD DIVERSITY POLICY

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 the variation in the age, skills, experience, cultural background, gender, ethnicity and nationality of its members to ensure effective governance and robust decision making by the Board. The NC and Board regularly reviews the composition of the Board to ensure the proper discharge of its functions and obligations.

Underpinning the 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 background of each Director can be found on pages 6 to 10 which demonstrates the Board's Diversity Policy. The Board regularly reviews its composition to improve its diversity including gender diversity.

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 2024. 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.

This Statement should be read together with Corporate Governance Overview and Corporate Governance Report 2021.



Audit and Risk Committee Report

as at 31 December 2021

The Board of Maxis is pleased to present the Audit and Risk Committee (ARC) Report for the financial year ended 31 December 2021.

THE AUDIT COMMITTEE AT A GLANCE

No. of Members	5, all Non-Executive
No. of Independent Members	Chairman + 2 Others
No. of Meetings	5 in 2021
Attendance Rate	See below

WHO WE ARE

No	Name	Status	Appointment	Meetings Attended	Full Profile on page
01	1 Alvin Michael Hew Thai Kheam*	NE, IN	Appointed as Chairman on 22/04/2021	2/2	8
02	2 Tan Sri Mokhzani bin Mahathir	NE	Ceased as Chairman and member on 22/04/2021	3/3	6
03	3 Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	NE	Ceased as member on 18/10/2021	4/4	6
04	4 Dato' Hamidah Naziadin	NE, IN	01/02/2014	5/5	7
05	5 Robert Alan Nason	NE	01/05/2019	5/5	7
06	6 Mohammed Abdullah K. Alharbi	NE	13/10/2015	5/5	9
	7 Mazen Ahmed M. AlJubeir	NE, IN	Appointed as member on 18/10/2021	1/1	8

NE - Non-Executive, IN - Independent, * - Chairman

THE ARC'S SKILLS AT A GLANCE

- All members are financially literate.
- All members are able to read, analyse, interpret and understand financial statements.
- All members have extensive business experience.
- Each member has skill sets which make the ARC effective as a team, lending it the ability to effectively discharge its duties and responsibilities.
- Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (ceased as ARC member effective 18 Oct 2021), a Fellow of the Institute of Chartered Accountants in England and Wales, and Robert Nason, a fellow of CPA Australia, meet the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements (MMLR) for Audit Committees to have at least one member of an association of accountants specified in Part II of the First Schedule of the Accountants Act 1967.

A total of five ARC meetings were held in 2021. At these meetings, the Committee focused on Maxis' financial results, announcements to Bursa Securities for Q4 2020 and full-year 2020, Q1 2021, Q2 2021 and Q3 2021, the provisions and judgmental accounting items for the respective financial quarters, reports from both the external and internal auditors, regulatory and legal updates, enterprise risk management matters, related party transactions, revenue assurance, business and continuity planning, capital raising, systems and security information and other internal control matters.

In addition, there was one Circular Resolution in between the ARC Meetings (passed by unanimous consent in accordance with Clause 6.3 of the ARC's Terms of Reference), which were principally related to the Return to Office procedures.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year, the Committee reviewed and updated its Terms of Reference to be in line with the Statement on Risk Management and Internal Controls. An annual review was also performed to ensure all requirements were complied with.

The ARC Chairman reported the outcomes and decisions of the ARC proceedings in detail to the Board the soonest practicable after each meeting. Members of Management, the Group's external auditors and external legal counsel also attended the meetings as and when invited. In the discharge of its duties and responsibilities, the Committee undertook the following major activities during the year:



Risk Management and Internal Control

- The Committee reviewed the quarterly status reports on Enterprise Risk Management (ERM) activities within the Group presented by the Management, which includes overall risk profile, changes and updates on the number of key risks, and the corresponding mitigating actions. The Committee also reviewed the risk appetite statement and risk methodology adopted in ensuring that key and high risks were identified and tracked.
- Through the Internal Audit's reports on key internal audit findings and the external auditor's reports on work performed presented at the ARC meetings, as well as through discussions with key Senior Management, the Committee evaluated the overall adequacy and effectiveness of the system of internal controls including information technology and network controls; the Group's financial, auditing and accounting organisations and personnel; and the Group's policies and compliance procedures with respect to business practices.
- During its meetings and discussions with key Senior Management, the Committee consistently emphasised the importance of information security and the Group's readiness to prevent and respond to cyber-attacks and online fraud. Cyber security updates were provided to the Committee on a quarterly basis due to the Committee's emphasis on this area and recognition as a material matter to the Group.
- In continuing to promote ethical business practices, the Committee also reviewed the summary of defalcation cases investigated in 2021 and, where relevant, requested Management to carry out the necessary disciplinary actions. These actions reflect the Board's non-tolerance of fraud as well as to further improve the control environment in preventing further recurrences.
- In strengthening anti-bribery and anti-corruption governance framework, the Committee on quarterly basis deliberated with Management on the compliance status with the MABC system implemented in 2020 and which is continuously enhanced. In relation to this, the Committee also received updates from the Head of Integrity and Governance Unit on related initiatives and activities related to enhancing the company's compliance culture.

- ARC was also updated on the initiatives taken to mitigate the risks from the ongoing pandemic on the health and safety of the employees, which include the status of the COVID-19 cases; the Work from Home and Return to Office process and policies; and the vaccination policies. In addition, the Committee has also stressed on the importance of Management to continuously provide necessary steps to protect the safety and wellbeing of the employees.

Financial Reporting

- In overseeing the Group's financial reporting, the Committee together with appropriate officers of the Group reviewed the quarterly financial results and annual audited financial statements of the Group, including the reports on provisions, significant judgmental accounting matters, impact of new accounting standards and related announcements, before approving the release of the Group's financial results to Bursa Securities. The quarterly financial results for Q1, Q2 and Q3 of 2021, which were prepared in compliance with the Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standard (IFRS), were reviewed at the quarterly Committee meetings. During its first quarterly meeting, the Committee reviewed the draft audited financial statements for the financial year ended 31 December 2020 and the quarterly financial results for Q4, 2020.
- In reviewing the integrity of financial information, the Committee deliberated with Management to ensure that all matters set out in Section 5 of the Audit and Risk Committee Terms of Reference ("Responsibilities" under the heading "Financial Reporting") as well as the following areas, where relevant, had been complied with:
 - I. The MMLR;
 - II. Provisions of the Companies Act 2016 and other legal and regulatory requirements; and
 - III. MFRS and IFRS
- On a quarterly basis, Management gave its assurance to the Committee that related party transactions and the mandate for recurrent related party transactions (RRPT) were in compliance with MMLR and the Group's policies and procedures. In addition, Internal Audit presented the results of its quarterly independent reviews of the RRPT confirming that all RRPTs complied with the said policies and procedures.

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Overall Governance, Regulatory and Other Updates

- The Management and Company Secretary presented to the Committee, for its review, the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates on the Group's business on a quarterly basis.

Internal Audit

The Group's internal audit function (internally referred to as the Internal Assurance Division) carried out its activities based on the risk-based Annual Audit Plan approved by the Committee, covering scopes under the governance, risk management and internal control processes, including regulatory compliance such as related party transactions. Based on the approved Annual Audit Plan for 2021, a total of 50 engagements were conducted as at year-end covering the following key areas:

- i. Accounting & Financial Activities (16%)
 - ii. Key Projects Implementation (30%)
 - iii. Network and Information Technology (6%)
 - iv. Regulatory Compliance (14%)
 - v. Sales Operations (12%)
 - vi. Contracts Management (8%)
 - vii. Investigative (14%)
- At the Committee's quarterly meetings, Internal Assurance presented updates of its Annual Audit Plan 2021, including the status of engagements, key findings from audit reports and the corresponding audit conclusion opinions, audit recommendations by the internal auditors, results of investigations performed by the internal auditors and the representations made, as well as status of corrective actions taken by Management to address and resolve issues, ensuring these were adequately addressed on a timely basis.
 - The Committee was also updated on the progress of the audit automation initiative as well as the assurance results generated from the automated reports. The Committee also reviewed improvements that the digitalisation initiative has shown on the overall assurance coverage and company's vigilance over risks and controls across more critical business processes.

- During its last quarterly meeting for the year, the Committee reviewed and approved the Annual Audit Plan 2022, which reflects the changing risk landscape of the organisation, industry, and the company's convergence strategy. A total of 27 audits have been planned for 2022 focusing on key strategic areas, finance and business operations, technology as well as advisory services. The Committee also reviewed the scope and coverage of the planned activities and ensured principal risk areas and key processes of the business (identified by the Enterprise Risk Management department and the internal audit function) were adequately addressed. In line with the digital aspiration of the function as approved by the Committee, Internal Assurance continues to increase focus on audit automation activities for next year, as well as incorporating Agile Auditing as its core process methodology.
- During the same meeting, the internal audit function presented for the Committee's approval the divisional KPIs for 2022 covering four strategic focus areas: Operations, Customers, Innovation and Learning & Development. The KPIs were updated to be in line with the progress of the three-year digitalisation roadmap with emphasis on measures that drive the continuous assurance capability of the function using automation technologies, and efficiency outcomes from Agile processes.

The Committee also reviewed the adequacy of the Internal Audit Charter and approved the internal audit function's proposal to enhance the charter in line with the IIA Standards and latest updates in the ARC Terms of Reference.

External Audit

- During its first quarterly meeting, the Committee reviewed the external auditor's report for the financial year ended 31 December 2020 and recommended for the Board's approval.
- At the same meeting, the Committee undertook an annual assessment of the suitability and independence of the external auditors and reviewed their compliance with Maxis' External Audit Independence Policy (EAIP) for work carried out in the previous financial year (2020). This was to determine whether the services rendered would impair the external auditors' independence and objectivity.



The compliance status was presented by Management to the Committee for its deliberation. Internal Audit also presented its independent review of the external auditors' independence to the Committee, confirming the assessment results by Management. The Committee deliberated on the reports and concluded that the auditors complied with the EAIP.

- The Committee reviewed the audit services and non-audit services provided by the external auditors and their corresponding incurred fees, which included tax related services, regulatory compliance reporting, accounting consultation and agreed-upon procedures. The Committee concluded that the auditors had remained independent during the year.
- At its quarterly meetings, the Committee deliberated on the results and issues arising from the external auditors' review of the 2021 quarterly financial results, Q4 2020 financial results and audit of the 2020 year-end financial statements as well as the resolution of issues highlighted in their report to the Committee. The Committee also deliberated on key audit matters highlighted by the auditors, the Internal Control Recommendations (ICRs) raised by them, and monitored their closure status.
- The Committee reviewed the external auditors' 2021 Audit Plan outlining their strategy, approach and proposed fees for the current financial year's statutory audit. The proposed Audit Plan and fees reviewed include non-recurring assurance related work for the financial year. The Committee noted the proposed plan and approved it for the current financial year.
- The Committee reviewed the annual assessment conducted on the effectiveness of the external auditors. The assessment covered seven categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees.

Integrity and Governance Unit

- The Committee continued to provide oversight over the IGU function, whose role is to foster the principle of abhorring corruption, abuse of power and malpractices in companies through four core functions, namely: Complaints Management; Detection & Verification; Integrity Strengthening; and Governance. At Maxis, IGU is responsible for the implementation, monitoring, strengthening and evaluation of the governance, and anti-corruption controls of the MABC system. The Head of Integrity and Governance Unit, who reports functionally to

the Committee, provides periodic reports to the Committee as part of the overall compliance reporting.

- The Committee deliberated reports and updates from the Head of Integrity and Governance Unit on the progress of the initiatives and programs which includes compliance progress; anti-bribery and anti-corruption internal control enhancements; MABC system updates, effectiveness, related activities and areas of concerns; as well as on the status of ongoing/completed investigations related to bribery & corruptions.
- Since the inception of MABC system, the Committee deliberated 100% commitment by the Board of Directors and employees with signed Integrity Pledges; 100% completion of MABC e-learning module for employees; third party and employees awareness program; and online due diligence compliance screening to assess bribery risk and corruption to ensure the highest level of integrity is observed and practiced.
- The Committee had also deliberated and endorsed the following with respect to strengthening the anti-bribery and anti-corruption initiatives in the company:
 - i. Implementation of the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) structure. The AML/CFT structure is comprised of policies and procedures, system and technology as well as culture values that are in line with Bank Negara Malaysia's requirements.
 - ii. IGU's recommendation to proceed with the submission of Maxis' application for the ISO 37001:2016 Anti-Bribery Management System (ABMS) Certification. The endorsement was granted following the completion of the pre-assessment of Maxis' ISO37001:2016 ABMS Certification conducted by SIRIM in April 2021 and Group wide anti-bribery risk.
 - iii. Policies related to Sponsorship & Endorsement and Hospitality and Entertainment Policies have also been revised in October 2021 to establish and formalise a process to reflect the tracking mechanism and management for relevant activities.
 - iv. Full implementation of Integrity Vetting System (eSTK) screening by the Malaysian Anti-Corruption Commission on the Chairman, Directors, Chief Executive officers, Senior Management Officers and officers designated for critical and strategic positions, including selective third parties were thoroughly vetted and were of high integrity.

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Audit and Risk Committee Report

Long-Term Incentive Plan (LTIP)

- The internal audit on LTIP grants for the financial year was performed in September 2021. In ensuring that the allocation for employees was as per approved criteria, disclosed pursuant to LTIP, the Committee deliberated the review results presented by Internal Assurance during its October meeting.

PROCEEDINGS OF THE ARC MEETINGS

The Group's internal and external auditors and certain members of Senior Management attended the Committee meetings by invitation.

The Committee also held a total of four separate private sessions with the internal and external auditors without the presence of Management. Both the internal and external auditors have unfettered access to members of the Committee, including the Chairman, any time during the year.

Deliberations during the Committee meetings were minuted. The Chairman of the Committee reported the proceedings of the Committee to the Board after every Committee meeting. Minutes of the meetings were circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

TRAINING

Training attended by the Committee members during the financial year is reported under the Corporate Governance Overview on page 112.

INTERNAL ASSURANCE DIVISION

The Group has an in-house independent internal audit function (internally referred to as the Internal Assurance Division) that reports directly to the Committee. Its primary responsibility is to provide independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes established by Management and/or the Board within the Group.

The Internal Assurance Division comprises of 21 auditors and 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 Certified Information Systems Auditor (CISA), Certified PRINCE2 Project Management Professional and Certified ScrumMaster (CSM) for Agile.

The Head of the Internal Assurance Division reports directly to the Chairman of the Committee, and is responsible for enhancing the quality assurance and improvement programme of the internal audit function. Its effectiveness is monitored through continuous internal and external quality assessments and the results are communicated to the Committee.

The total costs incurred for the internal audit function for the financial year ended 31 December 2021 amounted to RM6.6 million (2020: RM6.3 million).

The internal audit function fully abides by the provisions of its charter. The Internal Assurance Charter is reviewed and approved by the Committee annually. The internal audit function's activities conform to the International Standards for the Professional Practices of Internal Auditing set forth by the IIA.

The Audit and Risk Committee has regular dialogues and sessions with the Head of Internal Assurance and team.



INTRODUCTION

The Board affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy and effectiveness of the system. The Board is pleased to share the main features of the Group's risk management and internal control system in respect of the financial year ended 31 December 2021.

In discharging its stewardship responsibilities, the Group has established a sound risk management framework and procedures of internal control. These procedures, which are embedded into the culture, processes and structures of the Group are subject to regular review by the Board, and provide an ongoing process for identifying, evaluating and managing significant risks that may affect the Group's achievement of its business objectives and strategies.

Since 2020, the Board has chosen for Maxis to Always Be Ahead in having employees to go far beyond the ordinary by always putting Customers First, striving for What's Possible and embracing the fact that We Are Maxis. To align with this vision, we have refreshed our company culture with MaxisWay 2.0 and our business strategy to achieve organisational excellence, and that includes the Group's system of risk management and internal controls. Our employees continue to live up and embody our Maxis Values.

The Group's risk management framework and internal control procedures, in all material aspects, are consistent with the guidance provided to Directors as set out in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

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. In 2021, the Board revised the Maxis Group's risk appetite statements as below to reflect our risk attitude towards our growth ambitions:

- The Group is committed in value creation to our stakeholders, achieved by bringing together the best people, technology/innovation and services to our customers and at the same time sustaining profitable growth, maintaining market leadership position and meeting its dividend payout policy;

- The Group shall not compromise its commitment towards integrity, cybersecurity, sustainable business and reputation by risking brand image, service delivery standards or regulatory non-compliance; and
- The Group is prepared to take measured risks to achieve its vision to be Malaysia's leading converged solutions provider.

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. They 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.

RISK MANAGEMENT

The Board has made risk management an integral part of the Group's business strategy formulation and implementation and has oversight over this critical area through the Audit and Risk Committee. The Audit and Risk Committee, supported by the internal audit function, provides an independent assurance on the effectiveness of the Maxis Enterprise Risk Management (ERM) framework and reports to the Board periodically.

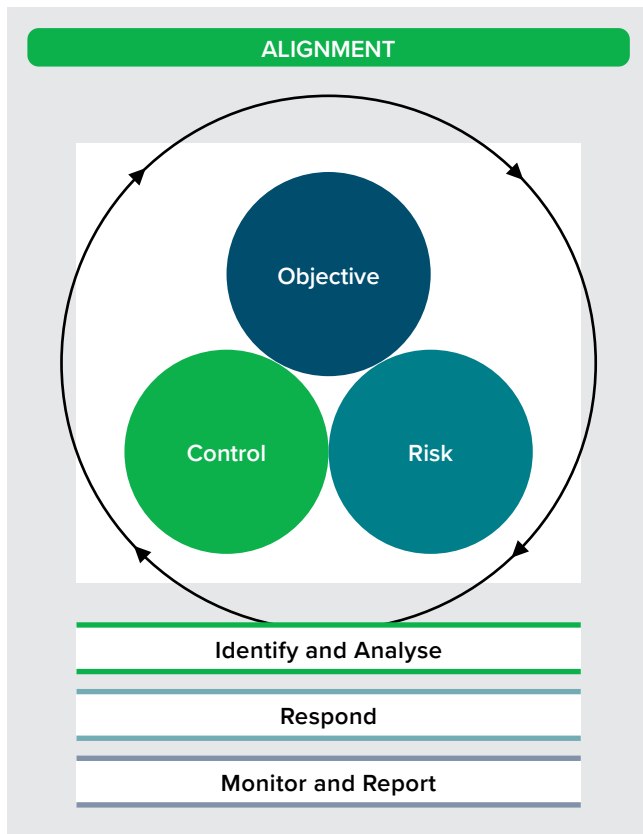
The Maxis ERM framework is broadly based on the ERM framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and ISO 31000. The Maxis ERM framework involves systematically identifying, analysing, measuring, responding, monitoring and reporting on risks that may affect the achievement of its business objectives. In addition, close monitoring and control processes, including the use of appropriate key risk and key performance indicators, are implemented to ensure the risk levels are managed within policy limits. This framework helps Maxis to respond adequately to uncertainties surrounding the Group's internal and external environment, allowing Maxis to maximise opportunities and minimise adverse impacts that may arise. For major risks to which the Group is exposed, refer to the Business Model section on pages 44 to 50 and 56.

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Statement on Risk Management and Internal Control

MAXIS' ENTERPRISE RISK MANAGEMENT FRAMEWORK



There is an ERM function that administers the ERM Framework implementation to ensure risks that may affect the achievement of Maxis' business objectives are identified, evaluated and managed. A structured process has been established where ERM 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 current and new business objectives, both short and long term. In addition, the ERM team participates in strategic and operational discussions regularly. Changes to risk information and newly identified risks are then reported, reviewed and discussed with the Maxis Management Team (MMT) collectively and with the Audit and Risk Committee on a quarterly basis to ensure significant risks are identified, analysed and monitored while the risk response plan is coordinated and implemented in a timely manner.

All identified risks are displayed on a five-by-five risk matrix based on their risk ranking to assist Management to prioritise their efforts and appropriately manage the different levels of risk.

RISK RATING SCALE

IMPACT	UNLIKELY	LOW PROBABILITY	POSSIBLE	HIGH PROBABILITY	ALMOST CERTAIN
CRITICAL	Medium	Medium	High	High	High
MAJOR	Medium	Key	High	High	High
MODERATE	Low	Key	Key	High	High
MINOR	Low	Low	Medium	Medium	Medium
INSIGNIFICANT	Low	Low	Low	Low	Medium

■ High
 ■ Key
 ■ Medium
 ■ Low

In driving a proactive risk management culture, the Board and Management ensure regular risk awareness and discussion sessions are held for the Group's employees so they have a good understanding of risk management and are able to apply the relevant principles.

The ERM team also collaborates with the Group's operational managers to continuously strengthen the Group's risk management initiatives, carry out risk management workshops and create awareness programmes to enable an effective response to the constantly changing business environment, thus protecting and enhancing shareholder value.

During the financial year, the ERM function has continued its transformation agenda to further improve the Group's ERM maturity level through multiple key initiatives. The first is the development of a comprehensive Cybersecurity Risk Framework which aims to achieve a complete risk assessment on various cybersecurity domains and business scenarios. The ERM function has also enhanced the Group Risk Appetite Framework including the Credit Risk Appetite Framework which was approved by the Board. These changes are important to ensure continuous alignment between the Group's risk-based decision and the changes to the business environment as well as the risk landscape. Another key initiative is a full-scale bribery and corruption risk assessment across the Group covering all departments and key processes. The ERM team collaborates with the Compliance Officer in such risk assessment to reinforce the Maxis Anti Bribery Corruption (MABC) System in complying with the Malaysian Anti-Corruption Commission Act 2009 (MACC Act).



CONTROL ENVIRONMENT AND STRUCTURE

The Board and Management have established numerous processes and introduced tools for identifying, evaluating and managing significant risks faced by the Group. These include testing of the effectiveness and efficiency of the internal control procedures and updating the system of internal controls when there are changes to the business environment or regulatory guidelines. These processes have been in place for the financial year ended 31 December 2021 and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in the Integrated Annual Report.

The key elements of the Group's control environment include:

1. Organisation Structure

The business of the Group is overseen by the Board, which provides direction and oversight to the Group and CEO, who is supported by Management. The Board is supported by a number of established committees, namely the Audit and Risk, Nomination, Remuneration, Business & IT Transformation, Government and Regulatory Affairs, Share Issuance and ad hoc operational and governance committees that are formed from time to time, all of which facilitate the Board in the discharge of its duties. Each Committee has clearly defined terms of reference and responsibilities, and reports back to the Board on its activities to keep the Board updated and to assist in decision-making where relevant (please refer to the Statement of Corporate Governance for further details).

Responsibility for implementing the Group's strategies, operations and day-to-day businesses, including implementing the system of risk management and internal control, is delegated to the CEO. The organisation structure sets out a clear segregation of roles and responsibilities, lines of accountability and limits of authority to ensure effective and independent stewardship.

2. Audit and Risk Committee (ARC)

The ARC consists of five non-executive members of the Board, majority of whom are Independent Directors. Its members bring with them knowledge, expertise and experience from different industries and backgrounds such as telecommunications and media, engineering, auditing, finance and treasury, human resources, regulatory and general management. The ARC reviews the Group's financial reporting process, the system of internal controls, the implementation and management of ERM framework and practices, the process and

reports from both internal and external auditors and the Group's process for monitoring ethics and whistleblowing, compliance with laws and regulations, and its own code of business practice, as well as other matters which may be specifically delegated to the ARC by the Board from time to time.

The ARC also reviews the sufficiency, adequacy and comprehensiveness of the MABC system in line with the need to mitigate bribery and corruption risks. Compliance Officer as Head of Integrity and Governance Unit (IGU) continues to update the ARC on the implementation of Maxis Integrity Compliance Framework (MICF) and the overall effectiveness of the MABC system 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 IGU which is further described in the following section on Integrity and Compliance, Anti-Bribery and Corruption.

Throughout the financial year, ARC members are briefed on corporate governance practices, updates to legal and regulatory requirements as well as key matters affecting the financial statements of the Group.

The ARC also reviews and reports to the Board on the independence of the external auditors and their audit plan, nature, approach, scope and other examinations of external audit matters. It also reviews the effectiveness of the internal audit function which is further described in the following section on internal audit.

The ARC continues to meet regularly and has full and unimpeded access to the internal and external auditors and all employees of the Group. The Chairman of the ARC provides the Board with reports on all meetings held. Further details of the activities undertaken by the ARC are set out in the ARC Report on pages 124 to 128.

3. Internal Assurance

The internal audit function (internally known as the Internal Assurance Division) continues to independently, objectively and regularly review key processes, evaluate the adequacy and effectiveness of internal control, risk management and governance processes established by Management and/or the Board within the Group. It is also responsible to investigate all real and/or suspected bribery and corruption incidents or MABC non-compliance that is received or detected internally or externally.

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The Internal Assurance division highlights significant findings and corrective measures in respect of effectiveness of risk management, control and governance processes to members of the MMT and ARC on a timely basis. Its work practices are governed by the Internal Assurance Charter, which is subject to revision on an annual basis. The annual audit plan, established on a risk-based approach, is reviewed and approved by the ARC annually and an update is given to the ARC every quarter. 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. The ARC oversees the internal audit function, its independence, scope of work and resources. The internal audit function also maintains quality assurance and improvement programme and continuously monitors its overall effectiveness through internal self-assessments and external quality assurance review.

The internal audit function follows the requirements of the latest International Standards for the Professional Practices of Internal Auditing of the Institute of Internal Auditors Inc. Further details of the function and its activities are set out in the ARC Report on pages 124 to 128.

4. Code of Conduct and Code of Business Practice

The Group is committed to conducting business professionally, ethically and with the highest standard of integrity and in full compliance with all laws and regulations. The Maxis Code of Conduct (CoC) and Code of Business Practice (CoBP) stipulate how Directors and employees as well as external parties such as third-party employees, contractors, consultants and/or personnel positioned in Maxis' premises and acting on Maxis' behalf, including all parties or entities doing business with Maxis, should conduct themselves in all business matters.

The CoC sets out practices and behaviors for all Maxis employees to emulate. Maxis is grounded in our commitment to lawful and ethical conduct which is reflected in our 'I am MaxisWay 2.0' cultural values. Being Maxis, we restlessly look at 'What's Possible' by putting our 'Customer First' mindset in driving success. The CoC also helps to build trust, commitment and empowers Maxis to make more effective decisions with greater confidence.

The CoBP, on the other hand, encompasses compliance and governance of its embedded policies surrounding business practices such as MABC, data privacy and protection, insider trading etc. Together, the CoC, CoBP and our MaxisWay 2.0 culture values, provide an overview of the legal and ethical standards we are each expected to follow and live, every day.

All Directors, employees and third-party employees, contractors, consultants and/or personnel positioned in Maxis' premises and acting on Maxis' behalf are required to declare their compliance with the CoBP upon joining the Group. Communications on the CoC and CoBP are sent out to them throughout the year to ensure they understand what is expected of them. In addition, all Directors, employees and third-party employees, contractors, consultants and/or personnel positioned in Maxis' premises and acting on Maxis' behalf are required to complete an annual mandatory assessment and acknowledgement of the CoC, CoBP and renew their Integrity Pledge.

External parties, including suppliers, who conduct business with the Group have to formally declare that they have read and will adhere to the CoBP for Third Parties upon beginning of work with the Group. In addition, a Vendor Integrity Programme is regularly conducted to raise the bribery and corruption awareness of these external parties.

Maxis is committed to respect the privacy and safeguard the confidential data of our customers, as we are governed by the Personal Data Protection Act 2010. We have a responsibility to protect any Maxis property and assets that are under our control. We also emphasise the importance of adhering to our information security related policies that govern the networks, systems and the information it holds as part of the foundations of our business. Protection of these entities and confidential information, whether belonging to Maxis or to others who have entrusted such information to us, is essential to our reputation and our business.

Maxis upholds ethical procurement practices with its suppliers at all times, providing a level "playing field" which is guided by suppliers' compliance to technical and commercial requirements forming the basis of evaluation and selection of suppliers. This includes our commitment to open and transparent competition based on suppliers' capability and experience and not just on size and maturity, to help new businesses flourish and ensure that our suppliers meet minimum standards of social responsibility.



To ensure the CoC and CoBP is adhered to, the Chief Human Resource Officer together with Compliance Officer and Compliance personnel provide policy guidance by looking at ways to continuously enhance the Group's standards of business conduct and ethics, and benchmark these against best practices. Our Ethics Hotline also serves as a safe and effective channel for employees or parties dealing with Maxis to report any incidence or occurrence which is not in accordance with the CoC and CoBP.

+ For more details on the Ethics Hotlines please refer to Corporate Governance Statement on page 108.

5. Integrity and Compliance, Anti-Bribery and Corruption

There is an IGU function that is headed by an independent Compliance Officer who oversees the implementation of the MABC system.

The Compliance Officer is tasked to oversee the acculturation, institutionalisation and implementation of integrity within the Maxis Group and to ensure that continuous training, education and awareness programmes 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.

In developing and implementing Group wide policies, Maxis refers to and complies with all applicable laws and regulations including the requirements of the MACC Act. In addition, we regularly benchmark our policies and procedures against prevailing international standards as we believe it is essential for Maxis to adopt industry best practices in corporate governance

given Maxis' strong corporate orientation and the growing expectations of stakeholders for good corporate citizenship.

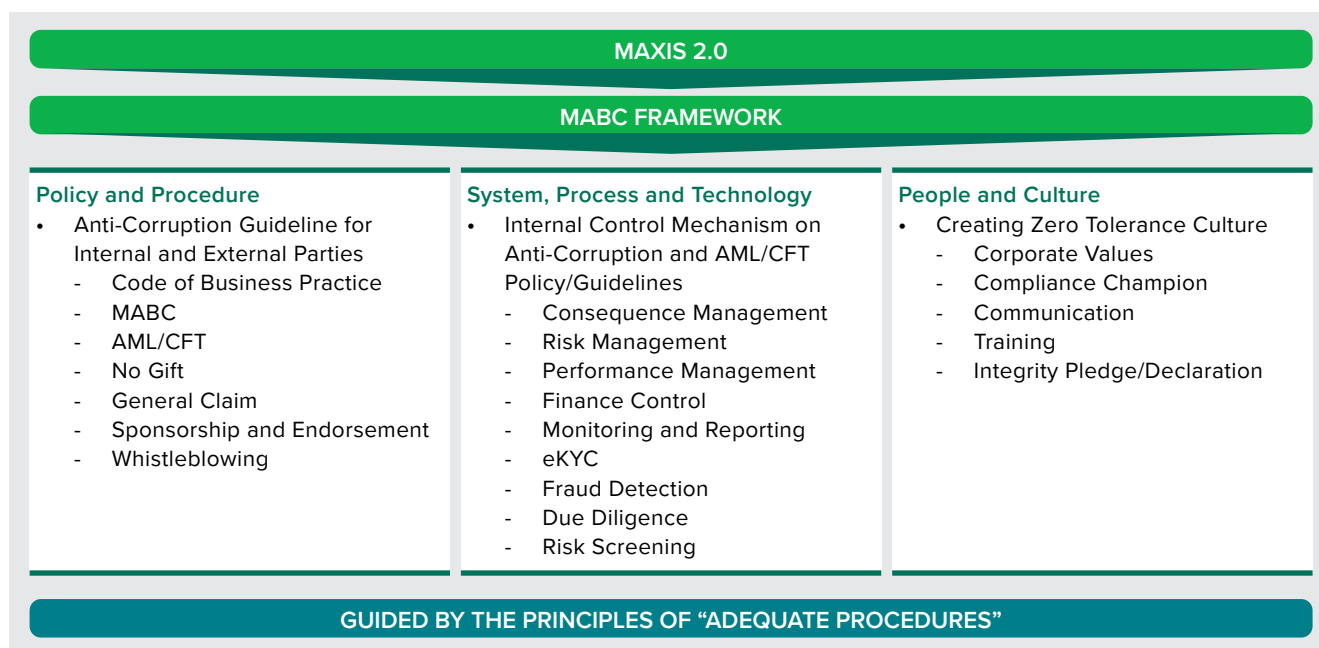
Maxis has a zero-tolerance policy against bribery and corruption, a reflection of our strong commitment to high ethical standards and compliance to anti-corruption laws. Maxis continues to effectively implement the MABC system which sets out the expected behaviour and ethical conduct of all Directors, employees and third parties who represent or act for or on behalf of Maxis. The MABC system, amongst others, explicitly prohibits the giving and acceptance of bribes by Maxis employees, money laundering, sponsorship and donations activities including the giving and receiving of facilitation payments in all its business dealings.

Since its launch in May 2020, Maxis has communicated the MABC System to all employees and third parties through a series of training programmes, including the onboarding programme for new employees and Vendor Integrity Programmes (VIP) for third parties. For the current financial year, 100% Directors and Maxis employees and more than 400 companies have undergone MABC system related online training and webinars.

In supporting the general policy statements in the MABC System, the ARC approved the development and implementation of MIFC to instill and ensure compliance to all elements related to the propagation of integrity and business ethics within the business activities of Maxis.

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Maxis Integrity and Compliance Framework





6. Revenue Assurance

The Revenue Assurance function is responsible for the monitoring of potential revenue leakage arising from day-to-day operations. This includes performance and examination of regular test calls, reconciliations of chargeable transactions from network and IT systems to the billing systems, and independent rating of key services via automated tools. Processes and controls within the revenue cycle are also reviewed regularly to ensure they function effectively and efficiently. The Revenue Assurance department meets key stakeholders on an ongoing basis to address key revenue assurance issues and drive revenue assurance initiatives across the Group. Key issues and mitigation actions are reported to the Management and the ARC on a monthly and half-yearly basis respectively.

7. Subscriber Fraud Management

The Subscriber Fraud Management (SFM) function complements the Revenue Assurance function. While the Revenue Assurance function monitors and reviews controls within the revenue cycle as indicated above, the SFM function monitors daily subscriber calls/events on a near realtime basis. Immediate action is taken to manage suspected fraudulent calls/events, using an industry developed system to monitor call patterns on a 24/7 basis throughout the year in addition to other manual reporting investigations. SFM also reviews customer journey and key new services and products for possible fraud risk and recommends counter-measures. Instances of fraud, along with the remedial actions taken, are reported to the Management on a monthly basis and presented half-yearly to the ARC.

8. Business Continuity Planning

Maxis' business continuity management systems are certified under ISO 22301, an international standard of business continuity. The Business Continuity Planning (BCP) team is responsible for identifying activities and operations that are critical to sustain business operations in the event of a disaster. These include facilitating the building of additional redundancies in network infrastructure, establishing alternate sites where key operational activities can be resumed, and mitigating the risk of high-impact loss through appropriate insurance coverage. A risk-based approach is applied in identifying the key initiatives and their levels of importance by reviewing critical systems and single-point of failures as well as their impact on the Group's business.

Critical areas as identified by risk priority are tested to assess the effectiveness of BCP on a periodic manner. Progress on the initiative is presented to the BCP Management Team on a yearly basis. In addition, in light of COVID-19 outbreak, a robust BCP was put in place with various measures undertaken to mitigate the spread and impact of COVID-19 and to protect our employees, maintain network quality and reliability, serve our customers, supporting communities and the Government to stay connected in this unprecedented times. Safety and health measures that were put in place includes supplying staff with face masks, daily temperature checks and health declaration via QR code prior to entering the workplace, implementation of Return to Office/ Work from Home cycles in order to practice physical distancing in the workplace, encouraging external and business meeting to be held digitally unless business critical and deferment of company events until further notice. The Group will continue to closely monitor the situation.

9. Regulatory

The Regulatory function ensures compliance with the Communications and Multimedia Act 1998 (CMA) and its applicable rules and regulations which govern the Group's core business in the communications and multimedia sector in Malaysia. As a licensee under the CMA, the Group adheres to its licensing conditions, as well as economic, technical, social and consumer protection regulations embedded in the CMA and its subsidiary legislation. The Group actively participates in new regulatory and industry development consultations initiated by MCMC.

The Regulatory function also frequently engages MCMC and the Ministry of Communications and Multimedia Malaysia in discussions on pertinent industry issues.

10. Legal

The Legal function plays a pivotal role in ensuring that the interests of the Group are preserved and safeguarded from a legal perspective. It ensures that the Group's operations and transactions with third parties comply with all relevant laws. It plays a key role in advising the Board and Management on legal and strategic matters. The Board is also briefed through reports to the ARC on material litigation and any changes in law that would affect the Group's operations.

11. Company Secretary

Please refer to page 111 of the Statement on Corporate Governance in this Integrated Annual Report.



12. Limits of Authority

A Limits of Authority (LOA) manual sets out the authorisation limits for various levels of Maxis' Management and staff as well as matters requiring Board approval to ensure accountability, segregation of duties and control over the Group's financial commitments. The LOA manual is reviewed and updated periodically to align with business, operational and structural changes.

13. Policies and Procedures

There is extensive documentation of policies, procedures, guidelines and service level agreements on the Group's intranet site including those relating to finance, contract management, marketing, procurement, human resources, information systems, network operations, legal, system and information security controls. Continuous control enhancements are made to cater for business environment changes and to align with Maxis' new and growth-driven business strategy.

14. Financial and Operational Information

Budgets are prepared by the operating units and presented to the Board before the commencement of a new financial year. Upon approval of the budget, the Group's performance is tracked and measured against the budget on a monthly basis. Reporting systems which highlight significant variances against budget are in place to track and monitor performance. The variances in financial as well as operational performance indices are incorporated in monthly management reports. On a quarterly basis, actual results and a rolling forecast are reviewed by the Board to enable the Directors to evaluate the Group's performance compared to the budget and prior periods.

In addition, a 5-year Long Range Plan (LRP) is prepared and updated on an annual basis to identify financial challenges and opportunities in the near future. The LRP aims to stimulate long-term and strategic thinking among the operating units and thereby devising strategies to deliver long term financial sustainability. The LRP which provides internal consensus on Maxis' long-term financial direction is presented to the Board for approval on an annual basis.

15. Cybersecurity, Data Protection and Data Privacy

The Cybersecurity Management, ERM and Data Privacy teams form part of the Maxis Central Governance Committee overseeing cybersecurity, data protection and data privacy for the Group. Maxis maintains compliance to all mandatory cybersecurity

standards required by MCMC such as compliance to the ISO 27001 (Information Security Management System), Personal Data Protection Act 2010 (PDPA) and e-Money standards required by Bank Negara Malaysia.

The Cybersecurity Management department maintains a robust cybersecurity posture and implements data protection controls for all applications, systems, networks, services and internet of things while the ERM department and the Data Privacy unit ensure that the privacy of customers' data is maintained. The following details out the roles and responsibilities of each team as per the Group's umbrella Data Privacy & Protection Policy and Cybersecurity Policy.

15.1 Cybersecurity and Data Protection

The Cybersecurity Management department (CM), together with its various functions including Cybersecurity Governance, Risk and Compliance, Cybersecurity Architecture, Cyber-Defense and Cybersecurity Operations are accountable for the monitoring, detecting and mitigating both internal and external cybersecurity threats to the Group. The team is also accountable for the implementation and monitoring of data protection controls for the Group.

Their responsibilities include:

- reviewing and managing cybersecurity and data protection threats and vulnerabilities;
- implementing and monitoring cybersecurity and data protection controls;
- maintaining compliance to relevant regulatory and industry security standards such as the Information Security Management System (MS/ISO27001:2013), Payment Card Industry Data Security Standard (PCI-DSS), PDPA and e-Money Guidelines;
- auditing and reviewing effectiveness of cybersecurity and data protection controls by conducting vulnerability assessments, penetration tests, compliance reviews;
- operating a 24x7 Cybersecurity Operations Centre to identify, detect, prevent and respond to cybersecurity threats;
- conducting cybersecurity and data protection awareness programmes; and
- providing regular reports on the cybersecurity and data protection to MMT and ARC.

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During the financial year, the team continued to work on the focused cybersecurity enhancement programme with an emphasis on protecting customer data and sensitive business information with the rollout of upgraded database firewalls, data leakage prevention tools and information protection capabilities within Microsoft Office 365. Additional data protection policies were also implemented for critical business functions and systems. Third party risk management processes were enhanced to ensure that our business partners maintain cybersecurity and data protection standards on-par with Maxis and the industry. Incident response and business continuity processes were also tested through both table-top exercises and organisation wide simulation with relevant scenarios such as ransomware attacks and data breaches.

As a result of the increasing adoption of cloud systems and continued remote working arrangements for both employees and business partners, several initiatives were undertaken to ensure adequate security governance and controls were in place. Cloud cybersecurity posture management solutions were upgraded to ensure that all Maxis cloud accounts and digital assets maintain a strict level of compliance to cybersecurity standards. Cloud PaaS and SaaS service reviews and audits were undertaken to ensure best practice security configurations were enabled and VPN solutions were migrated to the cloud to ensure that employees and business partners had the latest security protection to support remote working wherever they may be located.

15.2 Data Privacy

The Data Privacy unit is responsible for overseeing the Group's data privacy strategy and implementation and ensures that the Group comply with applicable PDPA requirements. Their responsibilities include:

- training Maxis employees and relevant third parties on PDPA compliance requirements;
- conducting regular divisional attestations and risk assessment to ensure compliance to PDPA and all of Maxis Data Privacy and Protection policies, procedures and guidelines;
- serving as the point of contact between Maxis and the supervisory authority, Personal Data Protection Commission;

- reviewing, assessing and providing relevant data privacy advice to relevant internal stakeholders;
- creating a culture of data privacy & protection in the design of products, services and processes in Maxis as part of Maxis' drive to build and uphold its lifelong customer trust commitment; and
- providing regular reporting on the data privacy & protection status via ERM to MMT and ARC.

MONITORING AND REVIEW

Processes that monitor and review the effectiveness of the system of risk management and internal controls include:

1. Management representations made to the Board by the CEO and Chief Financial & Strategy Officer (CFSO), based on representations made to them by Management on the adequacy and effectiveness of the Group's risk management and internal control system in their respective areas. Any material exceptions identified are highlighted to the Board.
2. Internal Assurance function, in its quarterly report to the ARC and members of MMT, continues to highlight significant issues and exceptions identified during the course of compliance reviews of processes and controls and together with IGU, report to ARC on a quarterly basis on any bribery and corruption related incidents and MABC non-compliance.
3. Fraud Working Group (FWG), comprising representatives from business units, Revenue Assurance and SFM, Legal, People and Organisation (P&O) and Internal Assurance departments. FWG establishes and monitors fraud related policies and regularly reviews and agrees on actions to be taken on identified instances of fraud.
4. The Defalcation Committee (including Special Defalcation Committee which deals with matters where senior management is involved) meets regularly to deal with matters pertaining to fraud and unethical practices including bribery and corruption related incidents and MABC non-compliance. All issues arising from work carried out by the investigation team within the Internal Assurance division and matters reviewed by FWG are channelled to this committee for deliberation. Based on the findings, the committee decides on appropriate actions to be taken. The committee also reviews and monitors the status of the actions taken on a regular basis.



5. Maxis Integrity and Compliance Awareness Committee, comprising the Compliance Officer and representatives from Legal and P&O meets on a periodic basis to co-ordinate and monitor programmes planned and developed under the MICF and ensures that they are implemented in an effective, integrated and structured manner. On a quarterly basis or as and when requested, the Compliance Officer reports on the activities, deliverables and implementation of MICF to the ARC.
6. Cybersecurity and data protection within Maxis is governed by relevant members of MMT who meet on a monthly basis to direct, review, approve and monitor corporate cybersecurity and data protection policies or standards, incidents and projects undertaken by the Group. CM reports monthly to the CEO and quarterly to the ARC on the Group's cybersecurity and data protection status. The effectiveness of the cybersecurity programme is assessed by independent third parties (penetration testing and cybersecurity certification) as well as both the external and internal auditors as part of their annual reviews.
7. The Central Governance Committee, comprising of Data Privacy, Cybersecurity and Data Protection teams oversee the data privacy and data protection strategy, processes, governance and compliance for the Group, including annual review of Data Privacy & Protection policy, relevant divisional compliance attestations, process improvements or gaps remediations. Data Privacy team regularly reports on the data privacy & protection status via ERM to MMT and ARC.
8. Incident Management Committee, comprising representatives from Cybersecurity Management, Legal, P&O, Data Privacy and impacted departments reviews security incidents. The committee is responsible to assess the data breach, recommend appropriate course of action, co-ordinate and execute the communication plan with internal and external parties including regulatory bodies and media and assist in execution of approved course of action.

9. ERM department reports to the Board on a quarterly basis through the ARC on the risk profile of the Group and the progress of action plans to manage and respond to the risks.

Management has taken the necessary actions to remediate weaknesses identified for the period under review. The Board and Management will continue to monitor the effectiveness and take measures to strengthen the risk management and internal control environment.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard the interest of shareholders. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of internal control that would require separate disclosure in the Group's Integrated Annual Report. The CEO and CFO have provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.



Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- Selected and applied the appropriate and relevant accounting policies on a consistent basis;
- Made judgments and accounting estimates that are reasonable in the circumstances; and
- Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

The Directors also have the overall responsibilities to take such steps to safeguard the assets of the Group and for the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems for the prevention and detection of fraud and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Incorporated on pages 145 to 240 of this Integrated Annual Report are the financial statements of the Group and the Company for the financial year ended 31 December 2021.

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