

# **BOARD CHARTER FOR AXIATA GROUP BERHAD**

**(242188-H)**



Duly approved and adopted by the Board of Directors of Axiata Group Berhad at the Board of Directors' Meeting [No. 03-13] held on 20 February 2013

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## 1.0 Introduction

This Charter sets out the key corporate governance principles adopted by the Board of Directors (Board) of Axiata Group Berhad (Axiata or Company). In adhering to the responsibilities set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interests of its shareholders, employees, clients and the community.

The Board will carry out its mandate directly and through the various committees of the Board, and such other committees it may establish from time to time.

The Board and Directors' performance will be assessed annually based on the expectations set out in this Charter. With the various positions held by each Director on the Board, they are expected to meet the expectations set for each position as these are crucial to the long-term success of the Company.

This Charter provides an overview of the following:-

- The delineation of the duties, responsibilities and powers of the Board and its Directors, the President & GCEO (to be defined hereinafter) and Senior Management of the Company;
- Delegation of authority by the Board to various committees established in assisting the Board to execute its duties and responsibilities;
- Matters reserved for consideration and approval by the Board; and
- Board operating procedures and practices pertaining to meetings, nominations and appointments, training and development, performance management and evaluation, code of conduct and declarations on conflicts of interest.

This Charter serves as a reference for the Board members in executing their responsibilities and should be reviewed and revised in accordance with additional statutory or regulatory requirements. The provisions contained in this Charter neither replace nor supersede the laws of Malaysia or the regulatory frameworks applicable. The Charter is governed by, where applicable, the Companies Act 1965 (Act), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Main LR), Malaysian Code on Corporate Governance 2012 (MCCG2012), Articles of Association of the Company, regulatory and legislative requirements, and best practices on corporate governance.

## **2.0 Composition of the Board**

Every public-listed company should be headed by an effective Board, which can both lead and control the business. Within the context of a unitary board system, a Board made up of a combination of EDs (to be defined hereinafter) and NEDs (to be defined hereinafter) should bring a broader view to the Company's activities under a Chairman who accepts the duties and responsibilities that the post entails. The Board should also be capable of and perceived to exercise independent judgement.

NEDs should be persons who possess the right character, experience, integrity, competence and time to effectively discharge his/her role as Director and to bring an independent judgement to bear on the issues of strategy, performance and resources including key appointments and standards of conduct. To be effective, INEDs (to be defined hereinafter) need to make up at least one third of the membership of the Board. The number of Independent Non-Executives should be significant to ensure their views will carry significant weight in Board decisions.

## **3.0 Members of the Board**

The Board should ideally consist of a Chairman and a suitable number of EDs and NEDs. The number of INEDs should comprise of at least one third of the membership of the Board, and in compliance with the MCCG2012 best practices, fifty percent, in the circumstances where the Chairman of the Board is not an INED. Collectively, the Board should have all the necessary skills, competencies and experience to fulfil the duties and objectives of the Board.

## **4.0 Objectives of the Board**

In adherence to the call by the Government for self-governance, the Finance Committee on Corporate Governance has set out principles and best practices for good governance aimed at increasing the efficiency and accountability of Boards to ensure that the decision making process are not only independent but are seen as independent.

The objective of the Board is to essentially review, approve and contribute to the long-term strategy of the company by bringing onto the Board their experience and expertise. Moreover, they are also responsible for monitoring the management's implementation of the strategy. In this respect, they should evaluate, identify and understand both the internal and external environments of the Company. In short, ensuring that the Company is properly run underpins their fundamental Board function. Further to the above, their principal role is also to identify and retain Directors who are able to add value to the Board as well as to the Company.

**5.0 Duties and Responsibilities of the Board**

- 5.01 Provide strategic drive for the Company by guiding Senior Management in developing corporate strategy.
- 5.02 Review, challenge and approve Management's proposal on a strategic plan for the Company and satisfy itself that Management has taken into account all appropriate considerations in establishing the strategic plan for the Company.
- 5.03 Formalisation of the Company's strategies on promoting sustainability with attention to environmental, social and governance aspects and balancing them with the interests of various stakeholders and ensuring the implementation and disclosure of sustainability policies in Annual Report and corporate website.
- 5.04 Responsible for monitoring the implementation of the strategic plan by the Management.
- 5.05 Oversee the conduct of the Company's Business and to evaluate whether the business is being properly managed. In this respect the Board must ensure that there are objectives in place against which Management's performance can be measured.
- 5.06 Establish and formalise a corporate culture engendering ethical conduct throughout the Company and to commit ethical values through a code of conduct and ensure its implementation and compliance. Code of Conduct to include appropriate communication and feedback channels to facilitate whistleblowing and to be reviewed periodically.
- 5.07 Set the tone and culture towards effective risk management and internal control in all aspects of the Company's activities, decide on Board's acceptable risk appetite and review the risk management framework, processes, responsibilities and assess whether they provide reasonable assurance that risks are managed within tolerable ranges.
- 5.08 Identify principal risks and ensure the implementation of appropriate systems to manage these risks. The target is to achieve a proper balance between risks incurred and potential returns to shareholders.
- 5.09 Review the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. Board must ensure that there is a satisfactory framework of reporting on internal financial controls and regulatory compliance.
- 5.10 Establish an internal audit function in order to obtain assurance of regular review and/or appraisal of the effectiveness of the system of internal controls within the Company. The Board should explain in summary the means that exist for obtaining such assurance of regular review and/ or appraisal.

- 5.11 Develop position descriptions for the Board and for the Managing Director /President & Group Chief Executive Officer (GCEO), involving definition of the limits to Management's responsibilities together with the President & GCEO.
- 5.12 Ensure succession planning, including appointing, training, fixing the compensation of and where appropriate replacing Senior Management. The Board will assess the President & GCEO's performance against the objectives established by the Board in co-operation with the President & GCEO and will assess his or her contribution on corporate strategy.
- 5.13 Appoint a committee of Directors composed, wholly or mainly of NEDs, a majority of whom are independent, with the responsibility of proposing new nominees for the Board and for assessing Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of such a committee.
- 5.14 Examine its own size with a view to determine the impact of the number upon effectiveness. Bearing in mind the principal responsibilities, the Board should ensure that it has enough Directors to discharge these responsibilities and perform those functions.
- 5.15 Looks into the future assessment of existing Directors; identify, nominate, appoint and orientate new Directors to enhance governance. The Board as a whole can perform this function but as a matter of best practice, this responsibility can also be delegated to a committee.
- 5.16 Ensure educational and continuous training programmes are in place to update the Board and the Directors of new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company. Directors are expected to continuously upgrade themselves through these training programmes and other appropriate training programmes to effectively perform their duties.
- 5.17 Identify a Senior INED of the Board in the Annual Report to whom concerns may be conveyed, whether or not the roles of the Chairman and the President & GCEO are combined.
- 5.18 Exercise an adequate degree of independence and have a process or practice in place to allow Directors to meet and exchange views. This gives the Board the opportunity to effectively assess the direction of the Company and the performance of the Management.
- 5.19 Develop criteria to measure and assess independence of Independent Directors annually.
- 5.20 Endorse appointment, evaluation and development plans for pivotal positions based on discussions with Management.

- 5.21 Has in place a process to allow Director to excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.
- 5.22 Disclose on an annual basis whether one third of the Board is independent or has a significant shareholder; whether the Board satisfies the requirement to fairly reflect through Board representation and the investment of the minority shareholders in the Company. The Board should also disclose its analysis of the application of the best practices.
- 5.23 Set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved. The responsibilities of Director's remuneration are discharged to the Board Remuneration Committee.
- 5.24 Establish an overall remuneration policy and framework and performance management philosophies for top key positions in Axiata and the entire organisation.
- 5.25 The Board's effectiveness in carrying out its role and duties shall be evaluated at least on an annual basis. This duty shall be discharged to the Board Nomination Committee.
- 5.26 Ensure the Company has appropriate corporate disclosure policies and procedures.
- 5.27 Ensure the Management develop and implement an investor-relations programme or shareholder communications policy for the Company. The policy should ensure that it effectively interprets the operations of the Company to the shareholders and must accommodate feedback from shareholders, which should be factored into the Company's business decisions.
- 5.28 Ensure the Company leverages on information technology for effective dissemination of information including establishing a dedicated section for corporate governance on the Company's website. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.
- 5.29 Allocate the responsibility for setting the Board agenda; for organising and circulating the information relevant to the agenda on a timely basis.
- 5.30 Ensure that each item of special business included in the notice of Annual General Meetings (AGMs) must be accompanied by a full explanation of the effects of a proposed resolution. They should also state which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to

the Board, details of participation in Board committees and whether a particular director is independent in the case of re-election of Directors.

- 5.31 Conduct a business presentation with a question and answer session in AGMs that are well attended.
- 5.32 Receive and seek information that is not just historical or bottom line and financial oriented but information that goes beyond assessing the qualitative performance of the Company and looks at other performance factors.
- 5.32 Lay down rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Boards should also agree on the procedures to be followed especially when decision are required between Board meetings.
- 5.33 Have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands. A schedule of matters should be given to Directors on appointment and should be kept up to date. The Schedule of Reserved Matters currently applicable is attached as annexure to this Board Charter.
- 5.34 Delegate important powers to an Executive Committee if necessary. Where the Executive Committee approves important corporate plans and actions on an on-going basis, the composition of such an Executive Committee should be proportionate to the composition of the full Board.



## **6.0 Powers of the Board**

There should clearly be an accepted division of responsibilities at the head of the Company, which will ensure a balance of power and authority such that no one individual has unfettered powers of decision. The division of responsibilities is to be regularly reviewed taking into consideration the operational, financial and business development aspects of the Company to ensure the Company's needs are consistently met. Where the roles of Chairman and the President & GCEO are combined, there should be a strong independent element on the Board. A decision to combine the roles should be publicly explained.

Where the Board appoints a committee, it should spell out the authority of the committee and in particular whether the committee has the authority to act on behalf of the Board or simply has the authority to examine a particular issue and report back to the Board with a recommendation.

## **7.0 Frequency of Meetings of the Board**

The Board should meet regularly, with due notice of issues to be discussed in accordance with the annual Board Calendar as well as on ad-hoc requirements and should record its conclusions in discharging its duties and responsibilities. The Board should disclose the number of Board meetings held as year and the details of attendance of each individual Director in respect of meetings held.

## **POSITION DESCRIPTIONS**

### **8.0 Chairman of the Board**

- 8.01 Provides leadership to the Board by helping the Board fulfil the goals it sets by assigning specific tasks to members of the Board.
- 8.02 Ensures proper flow of information to the Board, reviewing adequacy and timing of documentation in support of management's proposals. In addition, the Chairman ought to organise and present the agenda for regular or special Board meetings based on input from Directors and ensure that all relevant issues are on the agenda. The primary responsibility of the Chairman also involves him organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.
- 8.03 Provides a reasonable time for discussion at the meeting. Furthermore, the Chairman should encourage a healthy debate on the issue and bring to the Board objectivity and independence in the deliberations. Chairman should also maintain control of proceedings without dominating discussions.
- 8.04 Ensures adequate lead time for effective study and discussion of business under consideration and that Board resolutions are put to a vote if necessary to ensure that it is the will of the majority and not that of the dominant shareholder that prevails and that genuine disagreements have been aired and resolved.
- 8.05 Establishes standards for preparation of Board papers and reports.
- 8.06 Acts as liaison between the Board and Management and carries out other duties as requested by the Board as a whole, depending on need and circumstances.
- 8.07 Identifies guidelines for the conduct of the Directors, and ensures that each Director is making a significant contribution.
- 8.08 Ensures that all Directors, EDs and NEDs alike, are enabled and encouraged to participate fully in all its activities. This includes making certain that Directors, especially NEDs receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings.
- 8.09 Manages the processes of the Board and ensures that the Board discharges their responsibilities.
- 8.10 Ensures the balance of membership, subject to Board and shareholder approval.

- 8.11 Develops position descriptions for the Board and for the President & GCEO, involving definition of the limits to Management's responsibilities together with the President & GCEO. In addition, the Chairman should approve, or develop with the President & GCEO, the corporate objectives, which the President & GCEO is responsible for meeting.
- 8.12 States which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in Board committees and any particular director who is independent in the case of re-election of Directors at the notice of meetings.
- 8.13 Provides a formal schedule of matters specifically reserved to the Board for its decision to ensure that the direction and control of the Company is firmly in its hands.
- 8.14 Maintains an effective communications policy (together with the President & GCEO) that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the public generally. This policy must effectively interpret the operations of the Company to the shareholders and must accommodate feedback from shareholders, which should be factored into the Company's business decisions. In addition, he should oversee the preparation and distribution of proxy materials to stockholders.
- 8.15 Acknowledges the recommendations for improving the quality of AGMs as set forth by the MCCG2012, the Chairman should ensure that each item of special business included in the notice must be accompanied by a full explanation of the effects of a proposed resolution. At the AGM, the Chairman and/or Management should also conduct a business presentation with a question and answer session.
- 8.16 Secures good corporate governance and ensures that EDs look beyond their Executive function and accept their full share of responsibilities of governance. Given the importance and particular nature of the Chairman's role, it should in principle be separated from that of the President & GCEO.
- 8..17 Looks to the Company Secretary for guidance to the Board on what their responsibilities are under the rules and regulations to which they are subject and how those responsibilities should be discharged. The compliance advice should extend to embrace all laws and regulations and not merely the routine filing requirements and other administrative requirements of the Act.
- 8.18 Delineates rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed especially when decisions are required between Board meetings.

**9.0 President & GCEO/Executive-Directors (ED)**

- 9.01 Meet regularly with the Board, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities. The EDs should also be required to disclose the number of Board meetings held a year and the details of attendance of each individual director in respect of meetings held to enable shareholders to evaluate the commitment of a particular director to the affairs of the company.
- 9.02 State which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in Board committees and any particular director who is independent in the case of re-election of Directors in the notice of meetings.
- 9.03 Acknowledge the recommendations for improving the quality of AGMs as set forth by the MCGG2012, the EDs should ensure that each item of special business included in the notice must be accompanied by a full explanation of the effects of a proposed resolution.
- 9.04 Maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the public generally. This policy must effectively interpret the operations of the company to the shareholders and must accommodate feedback from shareholders, which should be factored into the company's business decisions. In addition, at the AGM, the EDs and/or Management should also conduct a business presentation with a question and answer session.
- 9.05 Outline rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed, when decisions are required between Board meetings. Furthermore, provide a formal schedule of matters specifically reserved to the Board for its decision to ensure that the direction and control of the Company is firmly in its hands.

In the event that the ED is also acting as the President & GCEO, the additional duties and responsibilities of a President & GCEO are stated as follows:-

- 9.06 Develops and recommends to the Board annual business plans and budgets that support the Company's long-term strategy and vision for the Company that leads to the creation of shareholder value. In addition, the President & GCEO should strive to achieve the Company's financial and operational goals and objectives; maintain a satisfactory competitive position within its industry and ensures continuous improvement in the quality and value of the products and services provided by the Company.
- 9.07 Formulates and oversees the implementation of major corporate policies; runs the day-to-day business and implement the policies and strategies adopted by the Board.
- 9.08 Ensures that the Company has an effective management team below the level of the President & GCEO and has an active plan for its development and succession.
- 9.09 Fosters a positive, corporate culture that promotes ethical practices, encourages individual integrity and fulfils social responsibility to attract, retain and motivate a diverse group of top-quality employees at all levels.
- 9.10 Implement the processes for identifying, evaluating, monitoring and reporting of risks and internal control and to take appropriate and timely corrective actions as needed.
- 9.11 Provides assurance annually to the Board that the processes have been carried out on whether the Company's risk management and internal control system is operating adequately and effectively based on the risk management model adopted.
- 9.12 Ensures in co-operation with the Board, that there is an effective succession plan in place for the President& GCEO position.
- 9.13 Serves as the chief spokesperson for the Company and attends the Board Nomination Committee and Board Remuneration Committee meetings at the discretion of the Chairman.
- 9.14 Develops position descriptions for the Board and for the President & GCEO involving definition of the limits to Management's responsibilities together with the Board.
- 9.15 Liaise with the Chairman and carries out other duties as directed by the Board as a whole.

**10.0 Non-Executive Directors (NED)/ Independent Non-Executive Directors (INED)**

- 10.01 Review, approve, or disapprove Management's corporate strategy proposal. In doing so, they should bring an objectivity and breadth of judgement to the strategic planning process, as they are not involved in the day to day management of the business. If they are to independently judge the merits of a Management's proposal concerning strategic or business plans, they need to evaluate elements, which should be taken into account in the process of creating the strategic plan for the Company. They are also responsible in monitoring Management's success in implementing the strategy.
- 10.02 Oversee the conduct of the Company's business and to evaluate whether the business is properly managed. In this respect, they must ensure that there are objectives in place against which Management's performance can be measured.
- 10.03 Develop position descriptions for the Board and for the President & GCEO together with the President & GCEO and the full Board, involving definition of the limits to Management's responsibilities. In addition, the NEDs should approve, or develop with the President & GCEO, the corporate objectives, which the President & GCEO is responsible for meeting.
- 10.04 Ensure the highest calibre of Senior Management when appointing, training, assessing and providing for succession. The key to the effective discharge of this particular task is to provide for the best President & GCEO for the job.
- 10.05 Represent their interests on the Board in the case of NEDs representing substantial shareholders and to provide a balanced and independent view to the Board. INEDs however should bring independence of judgement and objectivity to Board deliberations.
- 10.06 Acquire and provide the necessary skill and experience to bring an independent judgement to bear on the issues of strategies, performance and resources including key appointments and standards of conduct.
- 10.07 Keep abreast of issues relating to the Company between meetings.
- 10.08 Meet regularly with the Board, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities. The NEDs and INEDs should be required to disclose the number of Board meetings held in a year and the details of attendance of each individual Director in respect of meetings held to enable shareholders to evaluate the commitment of a particular Director to the affairs of the Company.
- 10.09 Committed to a collective decision making process.
- 10.10 Ensure that at the notice of meetings state which Directors are standing for election or re-election with a brief description to include matters such as age,

relevant experience, list of directorships, date of appointment to the Board, details of participation in Board committees and the fact that a particular director is independent in the case of re-election of Directors.

- 10.11 Appoint as the Company Secretary someone who is capable of carrying out the duties to which the post entails and their removal should be a matter for the Board as a whole.
- 10.12 Acknowledge the recommendations for improving the quality of AGMs as set forth by the MCCG2012, the NED and INED should ensure that each item of special business included in the notice must be accompanied by a full explanation of the effects of a proposed resolution.
- 10.13 Maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the public generally. This policy must effectively interpret the operations of the Company to the shareholders and must accommodate feedback from shareholders, which should be factored into the Company's business decisions. The NED, INED and/or Management should also conduct a business presentation with a question and answer session.
- 10.14 Outline rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed especially when decisions are required between Board meetings. In addition, provide a formal schedule of matters specifically reserved to the Board should be maintained for its decision to ensure that the direction and control of the Company is firmly in its hands.

## **11.0 Senior INED**

- 11.1 The Board may select among its INEDs and appoint a Senior INED.
- 11.2 The selection of Senior INED is based on his experience and the significant influence he has within the Board, ability to convey concerns of the INEDs on the Board to the other members of the Board and in the event of dissention between the Chairman and/or EDs of the Company in the execution of their duties as INEDs.
- 11.3 The Senior INED is expected to play the following roles:-
  - i) Ensure all INEDs have an opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the INEDs to perform their duties effectively;

- ii) Consult the Chairman regarding Board meeting schedules to ensure the INEDs can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- iii) Serve as the principal conduit between the INEDs and the Chairman on sensitive issues, for example issues that arise from 'whistleblowing';
- iv) Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or President & GCEO , or for which such contact is inappropriate; and
- v) Be available for confidential discussions with other NEDs who may have concerns which they believe have not been properly considered by the Board as a whole.

## **12.0 Directors' Commitment**

- 12.1 Each of the Board members is expected to commit sufficient time to carry out their role as Directors and/or member of the Board committees in which they are a member. In this regard, a Director is expected to advise the Chairman of the Board or in his absence, the Chairman of the Board Nomination Committee of his/her intention to join the Board of another company outside the Group. If necessary, the Chairman and/or Chairman of the Board Nomination Committee will consult with the rest of the Board members whether the proposed new appointment is likely to impair the Director's ability to devote the necessary time and focus to their role as a Director of the Company.
- 12.2 In any given circumstances, the Board of Directors of the Company is expected to serve in no more than 5 and 10 directorships in public listed and private companies respectively.
- 12.3 Directors are also required to keep abreast of changes in regulatory, laws and accounting standards and development in corporate governance, broad business trends, strategy, financial instruments and technology advancement through reading of relevant industry and business publications and/or attending training programme and relevant conferences. Directors who are well informed would be in a better position to evaluate proposals made by Management and to ask the right questions; hence, be more effective as Directors.



### **13.0 Directors' Independence**

13.1 The Board defines INED as one who is independent and free from any business or other relationship that could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and are willing to express their opinions at the Board table free of concern about their position or the position of any third party. The Board believes that is impossible and/or impractical to formulate a list of criteria which is appropriate to characterise, in all circumstances, whether a NED is independent and choose to recognise amongst others, the spirit, intention, purpose and attitude of each NED to be considered as exhibiting independent judgment or the ability to act in the best interest of the Company. In determining/assessing the 'independence' of its Directors, the Company also adopts the provisions of the Main LR as follows:-

- i) Not an executive director of Axiata or any related corporation (Said Corporation);
- ii) Has not been within the last 2 years and is not an officer (except as a NED) of the Said Corporation;
- iii) Is not a major shareholder of the Said Corporation;
- iv) Is not a relative of any ED, officer or major shareholder of the Said Corporation;
- v) Is not acting as a nominee or representative of any ED or major shareholder;
- vi) Has not been engaged as a professional adviser or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of a firm or corporation (Entity) which provides professional advisory services; and
- vii) Has not engaged in any transaction or is not presently a partner, Director or a major shareholder, as the case may be, of the Entity (other than subsidiaries of the Company) which has been engaged in any transaction.

13.2 The Board assesses, at least annually, the independence of each Director and includes this information in the annual report.

#### **14.0 Board Diversity**

The Board promotes and embraces diversity and gender mix in its composition and believes that the presence of diverse ethnicities, nationalities and gender mix on the Board can widen the Board's perspectives in effectively discharging its duties and responsibilities. While promoting diversity, due recognition to the financial, technical, experience and skill-sets of the Director's concern and business imperative should remain a priority.

In line with the Corporate Governance Blueprint 2011 to ensure women participation on Boards reaches 30% by year 2016, despite not setting any specific target for Axiata, the Board will actively work towards meeting this target.

#### **15.0 Rights to Information and Independent Professional Advice**

The Board has direct and unrestricted access to all Company's information, whether as a full Board or in their individual capacities. In furtherance of their duties, they also have direct and unrestricted access to Management. In further ensuring the effective working of the Board, all Directors also have individual and independent access to legal, financial, governance advice and dedicated services of the Group Company Secretary. The Board has the authority to conduct or direct any investigation required to fulfill its responsibilities and has the authority to engage, at the Company's expense, such legal, accounting or other independent professional advisers, consultants or experts as it considers necessary from time to time in the performance of its duties in accordance with the agreed procedures laid down by the Board.

#### **16.0 Financial Reporting**

In preparing the annual financial statements and quarterly announcements to the shareholders, including price-sensitive public reports and reports submitted to the regulators, the Board aims to present a clear and balanced assessment of the Company's financial position and future prospects.

The Board ensures that the financial statements are prepared in accordance with the Act and applicable accounting reporting standards, so as to give a true and fair view of the state of affairs of the Group and the Company.

## **17.0 APPLICATION**

The principles set out in this Charter are:-

- a) Kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- b) Applied in practice having regard to their spirit and general principles rather than to the letter alone; and
- c) Summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.

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

The Board will review this Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practice. Any updates to the principles and practices set out in this Charter will be made available on the Company's corporate website.