

**TERMS OF REFERENCE
BOARD NOMINATION COMMITTEE**

**AXIATA GROUP BERHAD
(242188-H)**



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TERMS OF REFERENCE OF BOARD NOMINATION COMMITTEE

1.0 FUNCTION OF THE BOARD NOMINATION COMMITTEE (“BNC”)

1.1 The primary functions of the BNC are as follows:-

- a) to oversee the selection and assessment of Directors and to ensure that Board composition meets the needs of the Axiata Group Berhad (“**Axiata**” or “**Company**”);
- b) to propose new nominees to the Board of Directors of Axiata Group Berhad (“**Axiata**” or “**Company**”) and any Committee of the Board;
- c) facilitate and review Board induction and training programmes;
- d) to recommend or approve, as the case may be based on the terms of reference herein, the key management of Axiata Group;
- e) to assess Directors on an ongoing basis.

2.0 COMPOSITION OF THE BNC

2.1 The BNC shall be appointed by the Directors.

2.2 Members of the BNC may relinquish their membership in the BNC with prior written notice to the Company Secretary. The BNC will review and recommend, to the Board for approval, another candidate to fill up such vacancy.

2.3 The Chairman of the BNC shall be appointed by the Board.

2.4 The BNC must be composed of no fewer than 3 members and composed exclusively of Non-Executive Directors, a majority of whom shall be Independent Non-Executive Directors.

3.0 SECRETARY OF THE BNC

3.1 The Company Secretary or any other person appointed by the BNC shall be the Secretary of the BNC.

3.2 The Secretary shall:

- i) ensure all appointments to the BNC are properly made.
- ii) ensure that the BNC receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- iii) prepare the minutes of the BNC meetings and record the conclusions of the BNC in discharging its duties and responsibilities.

- iv) circulate the minutes of the BNC meetings promptly to all members of the BNC and make the same available to Board members who are not members of the BNC.
- v) ensure that the minutes of the BNC meetings are properly kept and produced for inspection if required.

4.0 MEETING GUIDELINES OF THE BNC

4.1 Quorum

In order to form a quorum, minimum two (2) members must be present.

Where only two (2) members are competent to vote on the question in issue and there is equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the BNC or referred to the Board of Directors of Axiata, whichever is more expedient.

4.2 Meetings

- 4.2.1 The BNC shall meet at least once a year. Additional meetings shall be held as and when the BNC or the Chairman of the BNC shall decide. The BNC meetings shall be governed by the provisions of the Company's Articles of Association relating to Board meetings unless otherwise provided for in this Terms of Reference. The BNC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 4.2.2 The BNC may request other Directors, members of Board committees/management, counsels and consultants as applicable to participate in the BNC meetings, as necessary, to carry out the BNC's responsibilities, provided, however, that no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the BNC unless he or she is a member of the BNC.
- 4.2.3 A member of the BNC shall 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. Where this causes a lack of quorum, the BNC shall appoint another candidate(s) who meets the membership criteria.
- 4.2.4 A member of BNC may participate in a meeting of BNC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 4.2.5 The notice and agenda for each BNC meeting shall be sent to all members of the BNC and any other persons who may be required to attend.
- 4.2.6 The Chairman of the BNC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the BNC that require the Board's approval at the Board meeting.

5.0 DUTIES AND RESPONSIBILITIES OF THE BNC

5.1 In carrying out its responsibilities, the BNC's policies and procedures remain flexible to changes in circumstances and conditions that are in compliance with legal and regulatory requirements. The following are the main duties and responsibilities of the BNC respectively:-

5.1.1 Recommend to the Board, candidates for all directorships in Axiata to be filled by the shareholders, the Board or independent individuals. In making its recommendations, the BNC should consider the following:-

- a) Skills, knowledge, expertise and experience of the candidate;
- b) Professionalism of the candidate;
- c) Integrity of the candidate;
- d) Commitment, contribution and performance of the candidate;
- e) In the case of candidates for the position of Independent Non-Executive Director, evaluate the candidates' ability of the candidate to discharge such responsibilities and functions as expected from Independent Non-Executive Directors; and
- f) In the case of the position of Non-Executive Director, the candidate should be persons of calibre, credibility, and have the necessary skill and experience to bring an independent judgment to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.

5.1.2 Consider in making its recommendations, any candidates for directorship proposed by the President & Group Chief Executive Officer ("**President & GCEO**") and, within the bounds of practicability, by any other Senior Executive or any Director or Shareholder.

5.1.3 Recommend to the Board candidates for directorship or Axiata nominees in Major Operating Companies ("**OpCos**") subject to prevailing regulatory and legal requirements in the various jurisdictions and the terms and conditions of the Shareholders Agreements or any other agreement governing Axiata's investment or shareholding. These entities include but shall not be limited to the following:-

- a) Celcom Axiata Berhad;
- b) PT XL Axiata Tbk;
- c) Dialog Axiata PLC;
- d) Robi Axiata Limited;
- e) Idea Celullar Limited; and
- f) Any other operating companies within Axiata Group to be determined by the Board.

The President & GCEO shall nominate candidates for appointment as directors of other subsidiaries/associate companies within Axiata Group and their Board Committees whilst other subsidiary/associate companies within the Axiata Group may appoint their respective Independent Non-Executive Director. The BNC is to be informed of the said appointment.

- 5.1.4 Recommend and/or approve candidates as Directors and for the following top key positions in Axiata Group as set out in the table below:-

Position	Approval
Axiata	
Directors	} Approval by the Board on BNC's recommendation
President & GCEO	
Axiata Top Key Positions	
Group Chief Operating Officer	} Approval by the Board on BNC's and President & GCEO's recommendation
Group Chief Financial Officer	
Group Chief Strategy Officer	
Group Human Resource	
Other Positions	
Group Company Secretary	
Group Chief Internal Auditor	Approval by Board Audit Committee
Any other top key positions as recommended by BNC and/or President & GCEO	To be determined by BNC
Axiata Major OpCos	
Directors	} Approval by the Board on BNC's and President & GCEO's Recommendation
Group Chief Executive Officer	
Group Chief Operating Officer	
Group Chief Financial Officer	
Other OpCos/Strategic Business Units	
Chief Executive Officer	Approval by the Board on BNC's and President & GCEO's Recommendation
Any other top key positions as recommended by BNC and/or President & GCEO	To be determined by BNC
<i>Notes :</i> <i>Any recommendation and/or approval for early termination shall also be decided by the parties stated above.</i>	

- 5.1.5 Recommend to the Board, candidate(s) to fill the seats on Board Committees.
- 5.1.6 Annually review the mix of skills, experience, size, other qualities, including core competencies which Non-Executive Directors should bring to the Board.
- 5.1.7 Annually review the role and functions of the Board and Board Committees to ensure its appropriate Board composition by taking into account the specific needs of Axiata, the Board and Board Committees.
- 5.1.8 Determine and implement the process on annual evaluations of the effectiveness of the Board as a whole, Board Committees and individual

Directors, including independent Non-Executive Directors, Managing Directors/Executive Directors as well as the President & GCEO, and report to the Board its findings and recommendations. BNC shall ensure that all assessments and evaluations are properly documented.

- 5.1.9 Develop criteria to assess independence and these criteria to applied upon Board's admission, annual review and when any new interest develops and ensure disclosure of the assessment in Annual Report and in any notice convening a general meeting for the appointment and re-appointment of Independent Directors.
- 5.1.10 Establish a policy formalising approach to Boardroom diversity and ensure that women candidates are sought in recruitment exercise and ensure disclosure in Annual Report of gender diversity policies and targets and the measures taken to meet those targets.
- 5.1.11 Recommend suitable orientation/induction, educational and training programmes to continuously train and equip the existing and new Directors and to ensure a statement is made in the Annual Report by the Board containing a brief description on the type of training attended by Directors during the financial year.
- 5.1.12 Ensure disclosure in the Annual Report on the activities of the BNC in discharging of its activities for the financial year in accordance with the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 5.1.13 Proactively maintain a pipeline and review potential candidates to the Board and Board Committees by implementing a succinct succession plan for Axiata.
- 5.1.14 Consider other matters as prescribed to the BNC by the Board.

6.0 POWERS AND AUTHORITY OF THE BNC

- 6.1 In carrying out its duties and responsibilities, the BNC shall have the following powers and authority, in accordance with the procedures to be determined by the Board and at the cost to the Company:-
 - i) Have the resources which are required to perform its duties.
 - ii) Have full, free and unrestricted access to any information, records, properties and personnel of Axiata and of any other companies within the Axiata Group.
 - iii) To appoint external counsels or other advisers and approve the terms and conditions of the appointment and obtain independent professional or other advice and services and to invite outsiders with relevant experience to attend the BNC's meetings (if required) and to brief the BNC thereof if the BNC considers this as necessary.
 - iv) Have access to the advice and services of the Company Secretary.

7.0 REVIEW & EVALUATION PROCEDURES OF THE BNC

- 7.1 The BNC shall at least annually perform a review and an evaluation of its performance to ensure that it is meeting its responsibilities as set forth in this Terms of Reference. The review shall specifically include consideration of the following:

- i) Frequency and timeliness of the BNC meetings.
- ii) Adequacy and quality of information and materials provided to the BNC.
- iii) Effectiveness of the BNC in carrying out the duties as set out in this Terms of Reference.
- iv) Contribution of individual BNC member.
- v) Appropriateness and adequacy of this Terms of Reference. The BNC shall recommend to the Board such changes to this Terms of Reference in such manner as the BNC deems appropriate.

POSITION DESCRIPTIONS

8.0 Position Description of the BNC Chairman

8.1 The following are the main duties and responsibilities of the BNC Chairman. These are not exhaustive and serve merely as a baseline:-

- i) Helps the BNC fulfil the goals it sets by assigning specific tasks to members of the BNC and identifies guidelines for the conduct of the members and ensures that each member is making a significant contribution.
- ii) Looks to the Company Secretary for guidance to the BNC 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 Companies Act 1965.
- iii) Provides a reasonable time for discussion at the meeting. Organises and presents the agenda for regular or special BNC meetings based on input from members and ensures that all relevant issues are on the agenda. In addition, the Chairman should encourage a healthy debate on the issue and bring to the BNC a healthy level of scepticism and independence.
- iv) Provides leadership to the BNC and ensures proper flow of information to the BNC, reviewing adequacy and timing of documentation.
- v) Ensures that all members are enabled and encouraged to play their full part in its activities. This includes making certain that all members receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at the BNC meetings.
- vi) Secures good corporate governance and ensures that members look beyond their BNC function and accept their full share of responsibilities of governance materials in support of management's proposals. Given the importance and particular nature of the Chairman's role of the BNC, in principle it should be separated from that of the President & GCEO.
- vii) Manages the processes of the BNC and for ensuring that the BNC discharges their responsibilities.
- viii) Ensures that every BNC resolutions are put to a vote where necessary to ensure that it is the will of the majority that prevails.

- ix) Ensures the working of the BNC and BNC's full discharge of its duties. Review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report.

9.0 Position Description of BNC members

9.1 Each BNC member will be expected to:-

- i) Provide individual external independent opinions to the fact-finding, analysis and decision making process of the BNC, based on their experience and knowledge.
- ii) Consider viewpoints from the other BNC members; make decisions and recommendations for the best interest of the Board collectively.
- iii) Keep abreast of the latest corporate governance guidelines in relation to the BNC and the Board as a whole.
- iv) Continuously seek out Best Practice in terms of the processes (performance assessment etc) utilised by the BNC, following which these should be discussed with the rest of the BNC for possible adoption.

Revision : **Paragraph 2.2, 2.4, 4.1, 4.2.2, 4.2.3 and 5.1.5.** Approved by Axiata Board vide Directors' Circular Resolution No. [06-11] dated 17 February 2011
Item 1.1 (a) and (c), 2.4, 5.1.1 (d), 5.1.3 (f), Paragraph 5.1.4, 5.1.11 and 5.1.13. Approved by Axiata Board at the Board of Directors' Meeting [No.3-13] held on 20 February 2013

Annexure : Top Key Positions approval matrix affecting Board Nomination Committee Committee