

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5362
COMPANY NAME : TENAGA NASIONAL BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (Board) of Tenaga Nasional Berhad ("TNB" or "the Company") is collectively responsible and accountable for the sustainable long-term success of the Company and the delivery of sustainable value to its stakeholders.</p> <p>It is essential for the Board to govern and set the strategic direction of the Company while exercising oversight on management in discharging its fiduciary duties and leadership functions.</p> <p>Duties of the Board include formulating, periodically reviewing and approving overall business and organisation strategies and key policies of the Company. The Board also sets the Company's core values and adopts proper standards to ensure that TNB operates with integrity and in compliance with the relevant rules and regulations.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, the Board has established its principal Committees to exercise oversight in specific areas, of which are the Board Audit Committee (BAC), Board Finance and Investment Committee (FIC), Board Tender Committee (BTC), Board Nomination and Remuneration Committee (BNRC), Board Risk Committee (BRC), Board Long Term Incentive Plan Committee (BLTIP) and Board Integrity Committee (BIC).</p> <p>The Board is responsible for the oversight and overall management of the Company. In order to ensure the effective discharge of its functions and responsibilities, it has established a Governance Model for the Group where specific powers of the Board are delegated to the relevant Board Committees and the President/Chief Executive Officer (P/CEO).</p> <p>The Company's governance framework underpins the Company's operations. In addition to the seven (7) Board Committees mentioned above, the Board is supported by the Group Executive Management Committee (GEMC), which comprises the Top Management. The Board</p>

and its Governance Framework is on pages 162 to 163 of the Integrated Annual Report 2022.

The Board shall assume, among others, the following principal responsibilities:

i. Formulating, reviewing and approving the Company's strategic business plan

The Board plays a pivotal role in reviewing the Company's strategic direction and approving corporate strategic initiatives developed by the Management. The Board deliberates annually the Company's strategic and business plan as proposed by the Management, including the annual capital and revenue budget for the ensuing year as well as the Key Performance Indicators (KPIs). This will ensure that the KPIs correspond with the Company's annual strategic and business plan. The Board reviews and deliberates on the Management's views/assumptions in ensuring the best decisions are reached after considering all relevant aspects.

A separate and informal session between the Board and Top Management, known as the Board Breakout Session (BBO), serves as a platform for the Board and Management to deliberate and exchange views as well as opinions in formulating strategic plans/issues and to chart the direction of the Group, including the reporting of its progress. The BBO is coordinated by the Company Secretary's Office, with the engagement of the respective Divisions, as and when the need arises.

Half-year reviews of the business plan and the budget were conducted whereby comparisons of approved targets against the Company's actual performance were made.

During the Financial Year under review, three (3) BBOs were held, focusing on the way forward for the TNB ESG Strategy: Net Zero Commitment and Pathways as well as the Regulatory Period 3 (RP3) (2022-2024) Roll-Down for the Company.

During the BBOs, the Management shared with the Board that to achieve our Sustainability Pathway aspiration and targets, TNB is working on a smooth transition to 2050 with sustained business growth. This transition calls for actionable items that take into account two (2) key objectives, i.e. making the core sustainable and building new sustainable businesses. With Net Zero 2050 as TNB's aspiration, more details on the low carbon pathway are required.

The Management also shared with the Board the outcomes and current progress of TNB's Sustainability Pathway. Our net zero goal requires commitment to these changes. TNB had seriously considered of how to best manage risk and achieve the best outcomes for TNB, TNB Power Generation Sdn. Bhd., the investors and Malaysia.

The Board will deliberate and approve the sustainability strategy and pathway forward, while also overseeing TNB's sustainability implementation and performance. The Management also shared the outcome of RP2 Performances, RP3 Key Parameters and held discussions on RP3 Risks and Opportunities as well as value creation priorities in RP3.

More information on the Strategic Direction is available in From Our Leadership on pages 38 to 63 of the Integrated Annual Report 2022.

Based on the evaluation for the Financial Year under review, the Board collectively concurred that it has reviewed the Company's strategic and financial plan as well as monitored its implementation, including the setting of suitable KPIs in achieving the Company's objectives.

ii. Identifying and managing principal risks affecting the Company

The Board, through BRC, is responsible for overseeing the effectiveness and adequacy of the Group's risk management framework and ensuring that it forms part of the Group's corporate culture. The BRC's key responsibilities include approving the risk management framework and policies on behalf of the Board and deliberating the Group's strategic and key operating risks as well as ensuring appropriate mitigations are implemented to manage these risks.

During the Financial Year under review, there were seven (7) BRC sittings. The BRC reviewed the Statement on Risk Management and Internal Control, which summarises the risk management practices, and internal controls implemented by Management. It also deliberated on Key Risk Indicator (KRI) that were developed in alignment with BRC's and Management's risk appetite.

The BRC is assisted by the Chief Risk Officer and the Risk Management Department (RMD) in discharging its duties and responsibilities. The RMD is responsible for the effective implementation of TNB Risk Management Framework for informed decision-making. The framework is developed in alignment with ISO 31000:2018.

The BRC continues to diligently exercise its risk oversight responsibilities by ensuring that risk management is an integral part of strategic planning and decision making for the achievement of the Group's strategic outcomes and long-term objectives.

Based on the evaluation for the Financial Year under review, the Board collectively agreed that it has discharged its roles in identifying principal risks and in ensuring that the Group has put in place an adequate risk management framework to effectively monitor and manage the risks of its operational businesses.

iii. Reviewing the adequacy and Integrity of the Company's Internal control system

The Board is responsible for ensuring that a sound reporting framework of internal controls and regulatory compliance is in place throughout the Company. Based on the evaluation for the Financial Year under review, the Board collectively concurred that it has discharged its roles through the BRC/BAC whereby regular meetings were held in reviewing the effectiveness of the Company's internal control system.

Details of the Company's internal control system and its effectiveness are provided in the Statement on Risk Management and Internal Control in the Integrated Annual Report 2022.

iv. Overseeing and evaluating the conduct and performance of the Company's businesses

The P/CEO is responsible for managing the day-to-day operations of the Company and implementing the Group strategies and policies as agreed by the Board. In doing so, he is well supported by the respective Management Committees. The performance of Management is measured through the Company's and Group's quarterly financial performance. The Board, on a continuous basis, is well informed of the progress of Company's strategic initiatives and critical operational issues as well as the Group's performance based on approved KPIs.

v. Succession Planning

The Board, assisted by BNRC, is responsible for developing plans to identify the necessary and desirable competencies and skills of Directors and succession plans to ensure there is appropriate dynamics of skills, experience, expertise and diversity on the Board. In addition, the Board/BNRC also oversees the appointment as well as succession planning of the Top Management.

The selection of candidates and appointment of Independent Non-Executive Directors by the Board/BNRC are made with the assistance of an independent consultant, whenever necessary.

During the Financial Year under review, there were several changes to the Board. This includes the departures of Dato' Sri Hasan bin Arifin as Chairman/Non-Independent Non-Executive Director, with effect from 1 January 2023 and Datuk Seri Asri bin Hamidin @ Hamidon, Non-Independent Non-Executive Director, as well as his Alternate Director, Faisal @ Pital bin Abdul Ghani with effect from 5 January 2023, and the demise of Dato' Ir. Nawawi bin Ahmad, an Independent Non-Executive Director on 28 November 2022. The resignation of Datuk Lau Beng Wei took place with effect from 6 March 2023.

Several new additions were made to the Board duly appointed by BNRC/Board. Dato' Abdul Razak bin Abdul Majid was appointed as the

Chairman/Non-Independent Non-Executive Director with effect from 27 March 2023, with the concurrence of Minister of Finance (Incorporated) (MoF Inc.). Rohaya binti Mohammad Yusof was appointed as Non-Independent Non-Executive Director with effect from 20 March 2023, representing Employees Provident Fund (EPF), a major shareholder of TNB.

The Board on 10 April 2023 had approved on the appointment of Datin Rashidah binti Mohd Sies with the concurrence of MoF Inc. as Non-Independent Non-Executive Director of TNB.

During the Financial Year under review, several movements in the Top Management took place. The Board/BNRC deliberated on the succession planning for critical positions in TNB, intended to discover and manage the development of TNB's future leaders.

Ir. Dev Anandan was appointed as Chief Grid Officer with effect from 1 January 2023 in place of Datuk Ir. Husaini bin Husin who retired on 31 January 2023. Datuk Ts. Shamsul bin Ahmad was made the Chief Regulatory & Stakeholder Management Officer with effect from 12 December 2022, to lead the Regulatory & Stakeholder Management Division following the retirement of Datuk Wira Roslan bin Ab Rahman.

Following the resignation of Datuk Fazlur Rahman bin Zainuddin on 8 November 2022, the Strategy & Ventures Division is now led by Datuk Ir. Megat Jalaluddin bin Megat Hassan, who was redesignated with effect from 3 October 2022. Kamal Arifin A Rahman was appointed as Chief Retail Officer with effect from 3 October 2022 in place of Datuk Ir. Megat Jalaluddin bin Megat Hassan following the change of portfolio. With the retirement of Datuk Fazil bin Ibrahim, Azlan bin Ahmad was made Chief Information Officer with effect from 18 July 2022.

These appointments were made after intensive deliberations and also after taking into account their qualifications, working experience, expertise, professionalism and knowledge of the Company and industry.

The Board is satisfied that the BNRC has efficiently discharged its duties pertaining to the nomination, remuneration and succession management functions as set out in its Terms of Reference (ToR). The BNRC annually evaluates the performance of the P/CEO and Top Management, whose remunerations are directly linked to their respective KPIs. The P/CEO's remuneration package is reviewed by the BNRC to reflect the contributions made towards the Group's achievements for the year. The BNRC's views and recommendations on this are submitted to the Board for its deliberation/approval.

Based on the evaluation for the Financial Year under review, the Board collectively concurred that the succession planning for P/CEO and Top Management as well as for the Company's future leaders has been appropriately developed.

	The roles and responsibilities of the Board are stated in paragraph 2.1 of TNB Board Charter, available on the Company's website at https://www.tnb.com.my/assets/files/BOARD_CHARTER_2022.pdf	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The Chairman is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of his role. The Chairman is responsible, inter alia:</p> <ul style="list-style-type: none">i. providing leadership for the Board so that the Board can perform its responsibilities effectively;ii. setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;iii. leading Board meetings and discussions;iv. encouraging active participation and allowing dissenting views to be freely expressed;v. managing the interface between Board and Management;vi. ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; andvii. leading the Board in establishing and monitoring good corporate governance practices in the Company. <p>The Chairman, in consultation with the P/CEO and the Company Secretary, sets the agenda for Board Meetings and ensures that all relevant issues are in the agenda.</p> <p>The Chairman is responsible for managing the business of the Board to ensure that:</p> <ul style="list-style-type: none">i. all Directors are properly briefed on issues arising at Board Meetings;ii. sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable a thorough preparation for the Board discussion;iii. the issues discussed are forward looking and concentrate on strategic issues. <p>The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails. The Chairman ensures that the P/CEO looks beyond his executive functions and accepts his full share of responsibilities on governance.</p>

	<p>The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.</p> <p>The separate roles and responsibilities of the Chairman and P/CEO are provided in the Board Charter, which is available on TNB's website: https://www.tnb.com.my/assets/files/BOARD_CHARTER_2022.pdf</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of Chairman and the P/CEO are separated and clearly defined in the Board Charter. This segregation ensures an optimal balance of independent decision-making, increased accountability and greater capacity for management supervision by the Board.</p> <p>The positions of Chairman and P/CEO are held by two (2) different individuals.</p> <p>At the date of this report, Dato' Abdul Razak bin Abdul Majid was appointed as Chairman of TNB, on 27 March 2023 in place of Dato' Sri Hasan bin Arifin following his cessation of office as Chairman on 1 January 2023. Dato' Abdul Razak bin Abdul Majid continues to lead and guide the Board in ensuring that it maintains the highest standard of governance.</p> <p>The Chairman serves as the primary link between the Board and the Company. He is also responsible for fostering constructive relations between the P/CEO and the Non-Executive Directors to ensure effective and appropriate communication with the shareholders.</p> <p>Datuk Ir. Baharin bin Din, the P/CEO of TNB manages the Company's operations and implementing Group strategies and policies as agreed by the Board. In addition, the P/CEO establishes, reviews strategies and plays a key role in instilling the Company's culture and standards, which include appropriate corporate governance practices throughout the Group.</p> <p>The distinct and separate roles of the Chairman and P/CEO, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>The separate roles and responsibilities of the Chairman and P/CEO are provided in the Board Charter, which is available on TNB's website: https://www.tnb.com.my/assets/files/BOARD_CHARTER_2022.pdf</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of BAC or BNRC. Currently the BAC members are:- i. Dato' Merina binti Abu Tahir (Chairman) ii. Ong Ain Lin iii. Gopala Krishnan K.Sundaram iv. Datuk Rawisandran a/l Narayanan v. Juniwati Rahmat Hussin Currently the BNRC members are:- i. Dato' Roslina binti Zainal (Chairman) ii. Datuk Amran Hafiz bin Affifudin iii. Dato' Merina binti Abu Tahir
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>Norazni binti Mohd Isa was appointed as the Group Company Secretary on 31 May 2012. She has legal qualifications and qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 (CA 2016).</p> <p>She is a Licensed Secretary by the Companies Commission of Malaysia. The Company Secretary manages the logistics of all Board, Board Committees and the Group subsidiaries meetings.</p> <p>The roles and responsibilities of the Company Secretary are specified in the Board Charter, which is available on TNB's website: https://www.tnb.com.my/assets/files/BOARD_CHARTER_2022.pdf</p> <p>The Company Secretary through the Chairman plays an important role in good governance by helping the Board and its Committees function effectively and in accordance with their ToR and best practices.</p> <p>The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with rules, regulations, procedures and laws affecting the Company in collaboration with the Head (Legal Services) and Chief Financial Officer specifically to statutory laws and taxation.</p> <p>The Company Secretary ensures that the attendance and minutes of all Board and Committee Meetings are properly recorded and kept at the Company Secretary's Office including the proceedings of the Company General Meetings. Subsequently the Company Secretary also ensures that all deliberation of Board and Committees Meetings are well communicated to the relevant Management personnels for appropriate actions.</p> <p>The Company Secretary will facilitate to update the Board on the follow up of its decisions and recommendations by the Management. Action items would stay as matters arising in the minutes of meetings until they are resolved.</p> <p>The Company Secretary serves as a focal point for stakeholders' communication and engagement on corporate governance issues and plays an advisory role to the Board particularly with regards to the</p>

Company's Constitution, Board policies and procedures, corporate governance best practices and its compliance with regulatory requirements, codes and legislations. The Board Members have unlimited access to the professional advice and services of the Company Secretary.

The Company Secretary also provides support to the Board in fulfilling its fiduciary duties, roles and responsibilities, apart from facilitating on Board communications in order to meet the Board's needs and stakeholders' expectations.

The Company Secretary assists the board continuing development by facilitating the orientation of new Directors by co-ordinating induction programmes as well as arranging for internal and external training programmes that are relevant to the Directors/Committee members.

The Company Secretary also keeps proper record of trainings attended by each Director/Committee members during the period/year under review for reporting purposes.

Newly appointed Directors received an appropriate induction and training on the Company's business, corporate governance and reporting procedures, on which they are continuously updated. In addition, the Directors were advised on policies and procedure of the Board and Board Committees' meetings and their rights and responsibilities.

The Company Secretary's Office facilitates the Board in organising internal and arranging external programmes/seminars that are relevant to the Directors. These include the annual Board Development Programme (BDP) which is organised in-house as part of TNB's Board Continuing Development Programme.

BDP 2022 was held virtually in collaboration with PricewaterhouseCoopers Risk Services Sdn. Bhd. with the topic "Information Technology & Operational Technology". It was held on 18 October 2022 and attended by the Board and Top Management. The topic was relevant following the trends observed post the COVID-19 pandemic as it became endemic, where cyber threats grew pervasive due to widespread internet access.

Subsequent to that, the Integrity Department, assisted by the Company Secretary's Office, organised a specific programme, "Corporate Liabilities", presented virtually by Herbert Smith Freehills, Malaysia, on 26 September 2022 for the Board and Top Management to provide the latest developments in Corporate Liability in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This was in line with the Training Communication Plan 2022 approved by the BIC, which required TNB's Integrity Department to organise specific training for the Board and Top Management once in the third quarter of 2022.

	<p>The existing Directors excluding the Alternate Director had attended their Mandatory Accreditation Programme for Directors of Public Listed Companies (MAP) as prescribed under Paragraph 15.08 and Practice Note 5 by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR).</p> <p>New Board Members are provided with the opportunity to experience the Company's operations first-hand and to meet and discuss all aspects of this with the Top Management.</p> <p>The Company Secretary facilitates the induction programme or onboarding sessions by providing the new Board Members with access to information on areas such as operations, finance, treasury and brisk management, as required.</p> <p>As a matter of practice, induction/onboarding sessions are arranged by the Company Secretary's Office between the Directors and the respective Top Management or Divisions to better assist them in understanding the Company's core businesses and its whole operation.</p> <p>The details of the induction/onboarding sessions are on pages 174 to 177 of the Integrated Annual Report 2022.</p> <p>The Company Secretary also continuously keeps herself updated of the evolving market environment, regulatory changes and enhancement in corporate governance best practices.</p> <p>Trainings attended by the Company Secretary for the Financial Year under review are listed on page 177 of the Integrated Annual Report 2022.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.6

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

Application	: Applied
Explanation on application of the practice	<p>A Pre-Board meeting is held prior to any Board meeting for the Management to provide the Chairman with insights into the papers that will be deliberated.</p> <p>The agenda of Board meetings is drawn up upon consultation between the Chairman, P/CEO and Company Secretary at the Pre-Board meeting. Copies of the agenda and Board papers are circulated to Board Members via an advanced meeting software which allows the Directors to securely access, read and review Board/Committees Documents and collaborate with Directors and Company Secretary electronically at least five (5) working days prior to the meetings.</p> <p>Aside from Board papers, presentations are provided by the Management to better facilitate the discussion of the subject matter. This permits prior review by the Directors and, if necessary, further clarification and additional information are sought upon deliberation to facilitate informed decision-making. The core activities of the Board and its Committees are well documented and planned on a forward agenda. A list of matters arising from each meeting is maintained and followed up at subsequent meetings.</p> <p>All deliberations and recommendations must be minuted and approved by each Board Committee and confirmed by the Chairman of each Board Committee at their respective Board Committee meetings.</p> <p>The Company Secretary advises the Board on governance matters, ensuring good information flows within the Board, its Committees, the GEMC and senior management.</p> <p>The Company Secretary is responsible for ensuring the Board complies with all relevant processes and for assessing compliance with the MMLR, Corporate Disclosure Guidance, the MCCG and the CA 2016.</p> <p>An important part of this is effective collaboration with other parties across all Group functions. Good training, regular discussions on key issues, and support from those in areas of critical operational risk in evaluating areas for change are also imperative.</p>

	The Board and each Director is at liberty to obtain external independent or professional advice as deemed appropriate at the Company's expense to assist with decision making. This includes the attendance of external advisers at meetings and seeking required information from any member of the Group's workforce.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	: Applied
Explanation on application of the practice	<p>In line with the MCCG, the Board Charter serves as a source of reference and primary induction literature, providing insights to existing and prospective Board members to assist the Board members in performing its fiduciary duties and responsibilities.</p> <p>The Board Charter also clearly sets out among others, the roles and responsibilities of the Board, Board Committees, and Directors. It assists the Board in assessing their own performance and individual Directors.</p> <p>TNB Board Charter supports good standards of corporate governance, through the collation of a number of key matters, including:</p> <ul style="list-style-type: none">i. The division of responsibilities between the Chairman and P/CEO;ii. The respective roles, responsibilities and authorities of the Board, its Committees and Management;iii. Reserved Matters of the Board; andiv. Board level policies and practices. <p>The Board Charter is provided to each Director and the Board reviews its Charter as and when required subject to changes in regulations and best practices. The Board is guided by its Charter which sets out the Board's roles, powers, duties and functions.</p> <p>The Board at its meeting on 24 February 2022 had approved the review of its Charter. The review was made in accordance with the MCCG, MMLR, CA 2016, Board current process & procedures, latest respective Board Committees' TOR, applicable rules/regulation and governance best practices.</p> <p>This Board Charter is available on TNB's website at https://www.tnb.com.my/listings/corporate_governance/</p>

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

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>TNB Board of Directors is guided by a high standard of ethical conduct in accordance with the Code of Ethics for Company Directors as established by the Companies Commission of Malaysia.</p> <p>Each Non-Executive Director is supplied with the Non-Executive Directors' Handbook as reference of their professional responsibilities as well as the terms and conditions of their service. The Non-Executive Directors' Handbook is updated as and when the need arises to reflect any changes of the applicable rules and regulations as well as in the policies/procedures that govern the conduct of the Directors.</p> <p>TNB has a Code of Ethics to govern the conduct of its employees. The provisions set out in the Code of Ethics ensure compliance with laws and regulations, sound employment practices, confidentiality and privacy. It also includes provisions on conflicts of interest, giving and accepting business courtesies and the protection and proper use of TNB's assets and resources.</p> <p>TNB's Code of Ethics also defines how TNB relates to its shareholders, employees, customers, suppliers and the communities in which it operates. It includes TNB's general principles on business integrity. All employees are expected to conduct business in accordance with the applicable laws, rules and regulations and in a manner to enhance and protect the reputation of TNB.</p> <p>TNB's Procurement Code of Conduct guides TNB's Directors and employees as well as all existing and potential suppliers/contractors including their directors and employees. TNB believes that all supplier/contractor relationships should be based on principles of good governance such as integrity, accountability, fairness and a zero tolerance rule towards bribery and corruption. These principles are enforced in the Procurement Code of Conduct, which is constantly revised to reflect changes in regulations, reputational demands and business challenges.</p>

	<p>The Procurement & Supply Chain Policy and Procedures provides a set of general policy and procedures as guidance in executing procurement within TNB. The Policy and Procedures enables TNB to obtain the best value in procurement, adopt leading business practice, advance TNB's business priorities, add value to customers and uphold good corporate governance.</p> <p>TNB's Code of Ethics and Procurement Code of Conduct are available in their respective sections of the Company's website at www.tnb.com.my</p> <p>To inculcate good governance throughout the Company, all employees are to sign the Integrity Pledge annually via Employee Self-Service System (ESS).</p> <p>In addition, all newly appointed Board members shall receive comprehensive information pack containing apart from the Board Charter and Non-Executive Directors' Handbook, the Company's Constitution, relevant Acts affecting the Company, the latest Integrated Annual Report, TNB's Procurement & Supply Chain Policy and Procedures, Procurement Code of Conduct & Code of Ethics and TNB Corporate Integrity Management System (TCIMS) Handbook in order to facilitate the discharge of their duties.</p> <p>Apart from the involvement of independent directors in the Company to strengthen its efforts towards enhancing the integrity and transparency, the Company also implemented the Integrity Pact and Committee Integrity Pledges Policy as one of the ways to protect the Company whereby the process requiring the Board/BTC members to sign declarations before the meeting to avoid involvement in corruption, occurrence of conflicts of interest and in maintaining the confidentiality of information.</p> <p>Integrity Pacts set out the behaviours expected of the Company's External Providers when participating in the contracting procedure. Signing the Pact is a prerequisite for entering into a contract with TNB and includes provisions for recognised challenge areas such as collusion between providers, bribing of company personnel, and misrepresentation of products. The Pacts are provided to providers at an early stage of the procurement process.</p> <p>Integrity Pledges establish the expected behaviours of TNB Personnel at all levels participating in tender committees. Like the Integrity Pacts, the Pledges cover the high-risk areas of bribery, sharing of confidential information and collusion. In addition, the Pledges include a Conflict of Interest statement. All members of the committee who are present must sign their Pledges at the start of the meeting.</p> <p>In 2017, TNB was one of the first listed corporation to embark on the ISO 37001:2016 Anti-Bribery Management System (ABMS) certification. Towards achieving the certification, TNB launched the TNB Corporate</p>
--	---

Integrity Management System (TCIMS) to drive an integrity-based culture and a high level of compliance with local and international anti-bribery standards. On 15 November 2018, TNB was awarded with the ABMS Certification from SIRIM and to further reinforce this culture, launched the TCIMS Handbook.

The TCIMS Handbook was launched on 20 December 2018, is based on the ISO 37001 standard, covers elements such as due diligence, financial and non-financial controls, policies on specific high-risk bribery areas, whistleblowing policy, and training & communication.

The objectives for the TCIMS are summarized below:

- i. Bring TNB up to international standards of integrity infrastructure;
- ii. Impact corruption costs;
- iii. Improve Company culture.

TCIMS covers five (5) main policies which are:

- i. Anti-Bribery Policy;
- ii. Gifts, Hospitality and Related Benefits Policy;
- iii. Conflict of Interest Policy;
- iv. Whistleblowing Policy;
- v. Integrity Pact and Committee Integrity Pledges Policy.

In 2022, TNB has reviewed the four (4) main policies to reflect the current policies, circulars and practices. The reviewed policies are as follows:-

- i. Anti-Bribery Policy;
- ii. Gifts, Hospitality and Related Benefits Policy;
- iii. Conflict of Interest Policy;
- iv. Whistleblowing Policy.

TNB has a well thought out set of Shared Values made publicly available and communicated to the workforce. First among the TNB Shared Values is Integrity. The three (3) behaviours of Integrity are:

- i. Behaviour 1: We uphold highest ethical standards and do what is right, all the time;
- ii. Behaviour 2: We are fair, honest and transparent – in everything we do;
- iii. Behaviour 3: We always seek to achieve mutual benefit for the country, company and customers.

Series of trainings and awareness were conducted during the Financial Year by the Integrity Department to better equip the Company for implementation of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 of which as stated on page 182 of Integrated Annual Report 2022.

	<p>In 2022, TNB has signed a Memorandum of Understanding (MoU) with the Malaysian Anti-Corruption Commission (MACC) as well as signing the Corruption Free Pledge. This pledge emphasizes the pledges and promises made by the leadership of TNB and its staff voluntarily in their capacity as an organization to ensure that each of us will be more responsible in carrying out our duties and stay away from any corruption.</p> <p>TNB has also conducted the Integrity Health Survey in 2022 through UNITEN Research & Development Sdn. Bhd. and based on the survey TNB have achieved 79.36% score. Based on this scoring, TNB was categorized as world class best practices according to Global Ethics & Integrity Benchmarks 2020 By Joan Elise Dubinsky and Alan Richter.</p> <p>TNB's Code of Ethics, Procurement Code of Conduct, TCIMS Handbook, the Anti Bribery Policy, and other relevant policies are available at their respective sections on TNB's website: https://www.tnb.com.my/ethics-governance/</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	: Applied									
Explanation on application of the practice	<p>The Whistleblowing Procedure embodies TNB's commitment in maintaining an open working environment in which employees, contractors and members of the public are able to report instances of unethical, unlawful or undesirable conduct on a confidential basis without any fear of intimidation or reprisal. An independent investigation team investigates all reported concerns and where applicable, provides feedback regarding the investigation's outcome.</p> <p>The objectives of the Whistleblowing Policy are as follows:</p> <ul style="list-style-type: none"> i. to detect and address unacceptable conduct; ii. to provide employees and contractors with a supportive working environment in which they feel able to raise issues of legitimate concern to them and to TNB; and iii. to protect people who report unacceptable conduct in good faith. <p>Whistleblowing reporting channels are:</p> <ul style="list-style-type: none"> i. toll-free line at 1-800-888-862 ii. Online Whistle Blowing Information System (WBIS): https://wbis.tnb.com.my/ iii. email to one (1) of the designated officers by using the Whistle Blowing Complaint Form, available in Malay & English. <p>The Whistleblowing Policy is available on TNB's website: https://www.tnb.com.my/ethics-governance/board-charter/</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">NAME</th> <th style="text-align: left;">DESIGNATION</th> <th style="text-align: left;">E-MAIL ADDRESS</th> </tr> </thead> <tbody> <tr> <td>Ong Ai Lin</td> <td>Senior Independent Non-Executive Director</td> <td>ongailin.integrity@tnb.com.my</td> </tr> <tr> <td>Kalivann Palanivelu</td> <td>Chief Integrity Development Officer</td> <td>kalivann.integrity@tnb.com.my</td> </tr> </tbody> </table>	NAME	DESIGNATION	E-MAIL ADDRESS	Ong Ai Lin	Senior Independent Non-Executive Director	ongailin.integrity@tnb.com.my	Kalivann Palanivelu	Chief Integrity Development Officer	kalivann.integrity@tnb.com.my
NAME	DESIGNATION	E-MAIL ADDRESS								
Ong Ai Lin	Senior Independent Non-Executive Director	ongailin.integrity@tnb.com.my								
Kalivann Palanivelu	Chief Integrity Development Officer	kalivann.integrity@tnb.com.my								

	Hasbah binti Hasbullah	Senior Manager (Integrity Development & Culture)	hasbahh.integrity@tnb.com.my
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>A strong sustainability governance and leadership structure are vital to spearhead TNB's sustainability agenda and provide a clear and definitive guidance to achieve the Company's net zero aspirations. TNB's Sustainability Governance is an expansion of TNB's Governance Model that is aligned with the principles of the Malaysian Code on Corporate Governance 2021 (MCCG).</p> <p>A robust sustainability governance framework underpinned by a supportive leadership structure are key components to ensure the Company's sustainability agenda can be materialised through informative and comprehensive decision-making. TNB sustainability governance is an essential part of TNB Group Governance Platform, which is the framework of TNB management committees and subcommittees.</p> <p>TNB Sustainability Governance Framework was reformed in Financial Year 2022 through the formation of the Sustainability and Energy Transition Council (SETC), with the objective of deliberating on energy transition initiatives to coordinate and oversee TNB's Energy Transition Plan and providing a platform for discussion on the sustainability agenda, development and implementation. This includes the energy transition direction and climate-related matters. The SETC has combined the roles of the former Sustainability Development Council (SDC) and the former TNB Energy Transition Steering Committee (TEXC).</p> <p>The Sustainability Governance Structure is on page 164 of the Integrated Annual Report 2022.</p> <p>SETC key roles include:</p> <ol style="list-style-type: none">i. Determining sustainability visions, targets and commitments that align with and support TNB's overarching sustainability pillars as well as coordinating and integrating the organisation's sustainability commitments.

	<ul style="list-style-type: none"> ii. Proactively addressing sustainability challenges, including climate-related matters, faced by the organisation. iii. Influencing sustainability outcomes in the areas of Environmental, Social and Governance (ESG) by creating a framework, disclosing information and implementing policies related to climate-related matters. iv. Communicating with internal and external parties, including the Board, investors, financiers, insurers, regulators and the government on sustainability matters. v. Establishing Energy Transition related programmes and their goals and objectives and shaping energy transition outcomes that align with TNB's corporate strategy, fostering growth and creating value for the organisation. <p>The SETC meeting is conducted monthly, chaired by the P/CEO and composed of TNB's corporate senior management team. They then escalate the Group's strategic direction for sustainability to other committees and/or the Board of Directors for approval. The Board establishes the direction for incorporating sustainability into the strategic direction, operational performance of the organisation with the goal of developing and preserving shareholder value.</p> <p>TNB integrated sustainability strategy connects sustainability pillars - ESG matters with our corporate strategy: Reimagining TNB 2025 (RT) to enable us to contribute to the United Nations Sustainable Development Goals (UN SDGs) and be a leading provider of sustainable energy solutions in Malaysia and internationally. We have prioritised eight (8) SDGs to deliver sustainable value, empowering both our people and the wider community. TNB Sustainability Pathway 2050 (SP2050) which was developed in 2021 has enabled the Group to advance its Energy Transition (ET) Plan in 2022.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>SETC works as a strategic platform to engage and deliberate sustainability related matters to Top Management.</p> <p>TNB practices customized communication plan to communicate sustainability strategies and actions, through mediums such as digital platforms, media and internal communications. Continuous engagement with updated ESG aspirations is carried out with the pledge for Sustainability Pathway 2050 (SP2050) endorsed by Management.</p> <p>Annual reporting and Sustainability Report are part of the channels to disclose sustainability information, and prior to official disclosures the report will undergo detailed review and deliberation at the Board level (via BAC) and also Senior Management (via SETC). The Sustainability reporting adopts the Global Reporting Initiative (GRI) Standards and Task Force on Climate-Related Financial Disclosures (TCFD) framework.</p> <p>During the Financial Year under review, the SETC had discussed on the following:</p> <ul style="list-style-type: none">i. SP2050 comprises our net zero emission aspiration, commitment towards health and safety, and serving the Rakyat for a Better Brighter Future;ii. Review of relevance of TNB's material matters and materiality matrix;iii. Addressing the interests and concerns of external and internal stakeholders.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p>As an energy utility company, we recognise the impact on climate change that we contribute, as well as the threats of climate change to our existing infrastructure as well as our business sustainability. To ensure continuous and reliable supply of electricity to the nation, we are actively transforming and decarbonising our operations.</p> <p>Since 2019, TNB has voluntarily adopted the TCFD framework to address potential climate-related physical and transition risks and opportunities on our business strategy, as well as the resulting financial impact.</p> <p>TNB business entities are guided by the TNB Risk Assessment Process that provides a structured approach to identify, analyse, evaluate and treat risks. TNB business entities apply the process in a systematic, iterative and collaborative manner, drawing on the knowledge and views of stakeholders to develop their respective risk profiles.</p> <p>Climate related risks are integrated in TNB's 10 strategic risks covering external, sustainability, market, customer, finance, capabilities and regulatory risk categories. Moreover, climate-related risks and opportunities are managed in accordance with the ISO 14001:2018 Environmental Management System.</p> <p>In addition to the above, climate related risks and opportunities are assessed using scenario analysis, across short-term, medium-term and long-term horizons considering the expected lifetime of the assets or activities. In managing the climate risks along with other business risks, the BRC oversees the establishment and implementation of the TNB Risk Management Framework that is embedded into the culture, processes and structures of the Group and is responsive to changes in the business environment. Sustainability and climate risks are included as part of the enterprise risk management process.</p> <p>Following the TNB Risk Assessment Process, risks identified by business entities are registered and monitored through the TNB Risk Information System (TRIS), an online real-time tool and risk database that is accessible to all employees. Risks are reviewed annually by business entities with participation and eventual approval from the risk owners.</p>

	<p>Half-year risk reports are submitted by business entities to the Risk Management Department for consolidation. Group-wide consolidated half-year risk reports, which include reports of emerging risks and climate related risks, are deliberated and endorsed by the Group Risk Management Working Committee (GRMWC) for onward internal dissemination.</p> <p>The Board is committed to strategically integrate sustainability across TNB's business and advancing our sustainability efforts, including climate-related matters. They will deliberate and approve the sustainability strategy and pathway while overseeing TNB's implementation and performance on sustainability - these include the materiality assessment, Energy Transition Plans and the SP2050.</p> <p>TNB's Sustainability Governance outlines clear roles and responsibilities in relation to sustainability and climate change for each level of leadership. The establishment of the SETC, chaired by the P/CEO and composed of TNB's corporate senior management team is tasked to oversee the progress of sustainability and energy transition development and implementation.</p> <p>Business Units are responsible for managing sustainability and climate risks and opportunities as well as monitoring performance of related initiatives rolled out by TNB in their respective units. Business Units are required to report their sustainability performance to SETC on a regular basis.</p> <p>The Corporate Strategy and Sustainability Department is assigned as SETC secretariat and administers council meetings and ensures that decisions are clearly communicated to respective parties.</p> <p>Principles to guide climate action, particularly on GHG emissions, are covered under TNB Environmental Policy, Environmental Management System, Sustainability Energy Management (SEM) Framework based on the ISO 50001:2011 Energy Management System, ASEAN Energy Management System (AEMAS) and Grid Green Code of Conduct.</p> <p>Risk Management in TNB is the oversight of BRC. BRC deliberates on sustainability risk and opportunity as part of its agenda during its sittings.</p> <p>The TNB Risk Management Framework, approved by the BRC, provides a structured and consistent approach to risk management, which includes the TNB Risk Assessment Process. Risks related to sustainability and climate change are assessed accordingly with accountability and responsibility assigned to relevant parties in TNB.</p> <p>The BRC has approved TNB Strategic Risk and KRI on sustainability and relevant mitigations to ensure the Company stays abreast with and understands sustainability issues, including climate-related risks and opportunities.</p>
--	---

	The BRC monitors the KRIs quarterly and approves the outcome of the annual revision of strategic risks and KRIs, which takes into account the Company's long-term strategy and external context.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p>TNB’s aspiration is “To be a Leading Provider of Sustainable Energy Solutions in Malaysia and Internationally”. Towards achieving this aspiration, TNB has devised strategies under Reimagining TNB and Sustainability Pathway 2050.</p> <p>To execute the strategies effectively, TNB adopts a strategic planning process termed as Strategic Planning and Performance Management (SPPM). In this framework, TNB’s strategy drives its business plan, annual operating plan, budget and performance management process. This integrated and strategic process ensures alignment of TNB’s strategies to execution and performance management.</p> <p>TNB’s performance management cycle is incorporated in Step 4 and Step 5 of SPPM. The cycle starts with KPIs planning where target and KPIs are set for TNB’s Senior Management and all employees. The KPIs and targets are aligned with TNB’s strategic objectives and focus (inclusive of sustainability-related objectives) for the year. Accordingly, KPIs are set to measure achievement of these strategic objectives. The progress of KPIs execution is tracked and reviewed throughout the year and KPIs performance achievement is evaluated at the end of the year.</p> <p>Performance evaluations of the Board include reviews of its performance in addressing the Company’s material sustainability risks and opportunities.</p> <p>To ensure accountability from all management levels and to steer the Group’s sustainability performance, performance objectives relating to sustainability, including ESG rating, health and safety measures, integrity health index and the growth of TNB’s renewable energy capacity, are tied to the P/CEO and Top Management KPI. TNB aims to implement a phased approach linking remuneration to key ESG KPIs and climate-related disclosures in line with the TCFD recommendations.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>TNB is starting its Sustainability Pathway 2050 journey. As we are embarking the journey and assessing the ESG practices & complexity, the sustainability governance structure and processes in the Company will go through evolution in tandem to business needs and maturity in the sustainability practices.</p> <p>In TNB, the P/CEO leads the GEMC whose members comprise of the Senior Management team from core and non-core businesses and subsidiaries, spearheading the integration of sustainability in the Company.</p> <p>Additionally, the Chief Strategy Ventures Officer is responsible for defining and supervising a sustainable business model and strategy to ensure the sustainability and competitiveness of TNB locally and internationally.</p>

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC is entrusted with the responsibility of assessing and considering the capabilities, commitment and qualities of candidates to be appointed as Board Members as well as Committee members, taking into account the fit & proper assessment, diversity, required mix of skills, background, experience/expertise/knowledge relevant to the Company's business, existing commitment and potential conflict of interest prior to recommending to the Board.</p> <p>Through its annual assessment and recommendations made by the BNRC, the Board believes that its current size and composition is conducive to appropriate decision-making and incorporates a diversity of perspectives and skills in order to represent the best interest of the Company as a whole.</p> <p>Based on the 2022 Board Evaluation Assessment (BEA) results, the overall ratings for the 2022 BEA were in average of 4.0, indicating that the performances of the Board, each Board Committees, individual Directors and members of each Board Committees had been satisfactory. Each Director was generally effective in discharging his/her duties/responsibility.</p> <p>In view of the need to ensure proper processes are in place to manage succession issues at the Board level, an appropriate process for the selection, nomination and appointment of suitable candidates to the Board has been put in place.</p> <p>The Board on 30 June 2022 approved TNB Board of Directors' Fit and Proper Policy as guidance for the appointment and re-appointment of directors of TNB and its Group of Companies. TNB Board of Directors' Fit and Proper Policy is categorised into character and integrity; experience and competence; and time and commitment. In drafting the TNB Board of Directors' Fit and Proper Policy, references to and benchmarking against other Government Linked Companies/ Public Listed Companies policies were made. The Policy is also available on the Company's website at www.tnb.com.my.</p>

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

Intended Outcome

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

Practice 5.2

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

Application	: Applied
Explanation on application of the practice	<p>At the issuance of this CG Report, TNB Board consists of 11 members, excluding Alternate Director, of which the Independent Directors exceed the minimum number as prescribed by the MMLR as follows:</p> <ul style="list-style-type: none">i. one (1) Executive Director (P/CEO);ii. four (4) Non-Independent Non-Executive Directors;iii. six (6) Independent Non-Executive Directors. <p>In support of the MCCG and to maintain appropriate dynamics on Board, the Board continues to assess and consider the capabilities, commitment and qualities of candidates to be appointed as Board Members in accordance with TNB's Constitution, taking into account the required mix of skills, background, experience, expertise and knowledge relevant to the Company's business and industry.</p> <p>It is vital for the Board to assess the independence of its Independent Directors. This is done annually with reference to the key criteria developed by BNRC in a framework adopted by TNB. The criteria include independence from the Management and the absence of any business relationship which could materially interfere with or could reasonably be perceived to materially interfere with the exercise of objective, unfettered with the Independent Director's judgement.</p> <p>The Directors are also assessed on their ability to provide strong, valuable contributions to the Board's deliberations, without interference to and acting in the best interest of TNB.</p> <p>The Board had considered the independence of each Independent Non-Executive Director in office and concluded that each Independent Non-Executive Director met the independence criteria as set out in the MMLR. The Board is generally satisfied that each Independent Non-Executive Director remains independent in character and judgement and is free from relationships or circumstances which are likely to affect or could appear to affect the Director's judgement.</p> <p>The outcome of BEA indicated that these Directors have demonstrated independence and objectivity in the Board's decision-making process, by giving constructive criticism and valuable input through sharing of knowledge, experience/expertise and have acted in best interest of the Company and in safeguarding the stakeholders' interest.</p>

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

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has reviewed the independence of each Independent Non-Executive Director. None of the Independent Non-Executive Directors who served during the year had any material business or other relationship with the Group, and there were no other matters that were likely to affect their independence of character and judgement as guided by the MMLR.</p> <p>The Board recognises that in view of the characteristics of independence set out in the MCCG, length of service is an important factor when considering the independence of Independent Non-Executive Directors.</p> <p>The Board adopts a policy that limits the tenure of its Independent Non-Executive Directors to nine (9) years without further extension, pursuant to Step Up 5.4 of MCCG.</p> <p>Currently, none of the Independent Non-Executive Directors has served the Board for more than nine (9) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: In line with the exemplary practice as recommended by the MCCG, the Board adopts the policy which limits the tenure of its Independent Non-Executive Directors to nine (9) years without further extension. During the Financial Year under review until the issuance of this CG Report, none of the Company's Independent Non-Executive Director has served the Board for more than nine (9) years. Further details with regards to their length of tenure are set out in Our Board at a Glance on page 137 and the Board of Directors' Profile on pages 138 to 149 of the Integrated Annual Report 2022.

Intended Outcome

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

Practice 5.5

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

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>TNB strongly supports diversity within its Board of Directors, including gender, age, professional diversity as well as diversity of thought.</p> <p>The Board currently comprises of individuals from a diverse range of skills, industries, backgrounds and experience, which enables a broad evaluation of all matters considered by the Board and contributes to collaborative and constructive discussion.</p> <p>In addition, the Board believes that the appointments of the existing Directors and Top Management were guided by their skills, experience, competency and wealth of knowledge while taking into consideration gender diversity.</p> <p>The Board/BNRC continuously review the Board Skills Matrix, which serves to identify the skills, knowledge, experience and capabilities desired of the Board to enable to meet both current and future challenges of the Company.</p> <p>It reflects the appropriate mix of skills, expertise and experience required to address existing and emerging business and governance issues, to enable Directors to effectively review Management's performance. The Board Skills Matrix consists of several criteria, namely Leadership/Stewardship, Regulatory Experience & Network, General Management, Sector/Service Experience, Entrepreneurship and Other Factors relevant/tailored to the Company.</p> <p>The Board, guided by the matrix, approved the BNRC's recommendation that in order to strengthen the Board composition to be more dynamic, the skills and gaps that have been identified as critical and need to be filled are technical experience, international business experience and customer centricity.</p> <p>The Board agreed that all Directors appointed during the Financial Year under review had met the above required skills. At the issuance of this CG Report, the Board Skills and Experience Matrix, excluding Alternate Director are as follows:-</p>

NO.	AREAS OF EXPERTISE	TOTAL
1.	Finance & Accounting	4
2.	Engineering	3
3.	Legal	1
4.	Others*	3

*includes expertise such as Government management, business administration, science and petrochemical.

For Top/Senior Management appointments, Talent Review Forums, known as Succession Management Committee (SMC) Meetings, were held with the intention to surface and manage the development of TNB's future leaders. The Board/BNRC would also deliberate on the succession planning for critical positions in TNB.

To date, there are six (6) women on Board, namely Datin Rashidah binti Mohd Sies, Rohaya binti Mohammad Yusof, Ong Ai Lin, Juniwati Rahmat Hussin, Dato' Roslina binti Zainal and Dato' Merina binti Abu Tahir, representing 55% of the Board. These women Directors hold significant positions on the Board and its Committees whereby Ong Ai Lin is the Senior Independent Non-Executive Director of TNB and Chairman of BRC, Dato' Merina binti Abu Tahir is the Chairman of BAC, Dato' Roslina binti Zainal is the Chairman of BNRC and BLTIP, Juniwati Rahmat Hussin is the Chairman of BIC.

Aside from the above, the Non-Independent Non-Executive Directors also currently holds important positions in their organisations namely Datin Rashidah binti Mohd Sies is the Deputy Secretary General of Treasury (Management), Ministry of Finance whilst Rohaya binti Mohammad Yusof is the Chief Investment Officer of EPF.

At the issuance of this CG Report, the Diversity Composition Disclosures of the Board (excluding Alternate Director) and Top Management are illustrated by the diagrams below:

The Board (excluding P/CEO):

RACE/ETHNICITY			AGE GROUP			GENDER	
Bumiputera	Chinese	Indian	Below 50 years	50 to 60 years	Above 60 years	Male	Female
7	1	2	1	5	4	4	6

The Top Management (excluding P/CEO):

RACE/ETHNICITY			AGE GROUP			GENDER	
Bumiputera	Chinese	Indian	Below 50 years	50 to 60 years	Above 60 years	Male	Female
13	-	1	1	12	1	13	1

	<p>The appointments of Board members were made by the Board through fit and proper assessments, intensive deliberations and taking into account their qualification/background, working experience/expertise, professionalism aptitude and knowledge of the Company/Industry.</p> <p>TNB Board shall continue to assess and evaluate potential/credible candidates of various background/experience to further strengthen its composition, taking into consideration, the criteria identified based on the Board matrix. The assessment of potential candidates will be done accordingly based on their credentials, expertise, background, and other relevant aspects that will enrich the Board’s dynamics and bring value to the Company.</p> <p>The Board of Directors’ Profile and Senior Management Profile indicating their diverse qualifications/experience and expertise are on pages 138 to 157 of the Integrated Annual Report 2022.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board continuously seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped in assisting the Company in navigating the range of opportunities and challenges ahead.</p> <p>In view of the need to ensure there are proper processes to manage succession issues at the Board level, an appropriate process for the selection, nomination and appointment of suitable candidates to the Board has been put in place.</p> <p>The BNRC is entrusted with the responsibility of assessing and considering the capabilities, commitment and qualities of candidates to be appointed as Board Members and Committee Members, taking into account the diversity, required mix of skills, fit and proper assessment, background, experience/expertise/knowledge relevant to the Company's business, existing commitment and potential conflict of interest prior to recommending to the Board.</p> <p>The Board may appoint a new Director either to fill a casual vacancy or to add to the existing Directors. The MoF Inc., being the Special Shareholder of TNB, possesses the right to appoint up to six (6) Directors. The Company's Constitution provides that the Company must have at least two (2) Directors but not more than 12 Directors.</p> <p>As at the date of this report, there are 11 members on the Board excluding Alternate Director; one (1) Executive Director and 10 Non-Executive Directors, seven (7) of whom are Independent Directors.</p> <p>These Independent Directors are considered by the Board to be independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.</p>

The Board has continued to reshape its membership through the right balance of experience, expertise and fresh thinking.

There are several movements of the Board during the Financial Year under review up to the date of this statement. Dato' Abdul Razak bin Abdul Majid was appointed as Chairman/Non-Independent Non-Executive Director, with the concurrence of MoF Inc., with effect from 27 March 2023 in place of Dato' Sri Hasan bin Arifin who had ceased office with effect from 1 January 2023.

With 36 years of working experience in TNB, his understanding and knowledge of the Company's operations and the industry will facilitate effective decision-making by the Board. Further to that, his qualifications and experience fills the gap identified through the Board Skills Matrix, of having a Director with technical experience on the Board. His extensive knowledge, experience and reputation in the energy-related industry is incomparable and the Board believes that he will not only continue the great work of his predecessors but also maintain the practice of good governance, transparency and accountability. His wealth of knowledge will be instrumental in the ongoing initiatives of the TNB Energy Transition Plan.

Prior to that, the Board on 20 March 2023 approved the appointment of Rohaya binti Mohammad Yusof as a Non-Independent Non-Executive Director, representing the Employees Provident Fund (EPF), a major shareholder of TNB. She is the Chief Investment Officer of EPF and has a wealth of experience in areas of corporate finance, investment banking, capital markets and private markets, both domestic and global. She is an Associate Member of CPA, Australia and also sits on the boards of Malaysia Airports Holdings Berhad, United Plantations Berhad and Yinson Holdings Berhad.

The Board on 10 April 2023 had approved on the appointment of Datin Rashidah binti Mohd Sies, with the concurrence of MoF Inc. as Non-Independent Non-Executive Director of TNB. She is the Deputy Secretary General of Treasury (Management) Ministry of Finance.

The cessation of office of Datuk Seri Asri bin Hamidin @ Hamidon as an Appointed Director/Non-Independent Non-Executive Director of TNB took effect from 5 January 2023. Concurrently, he also ceased as the Chairman of Board Tender Committee (BTC) and a member of the BNRC and Board Long Term Incentive Plan Committee (BLTIP) on the same day. Faisal @ Pisal bin Abdul Ghani, his Alternate Director, had ceased office in accordance with Clause 61(2) of the Company's Constitution with effect from 5 January 2023.

In addition to the above, Datuk Lau Beng Wei, an Independent Non-Executive Director, had resigned with effect from 6 March 2023 and with deep regret we report the demise of Dato' Ir. Nawawi bin Ahmad, an Independent Non-Executive Director, on 28 November 2022.

	<p>The Board fulfils Practice 5.2 of the MCCG for Large Companies having a majority of Independent Directors, with the number exceeding the minimum requirement as prescribed by the MMLR.</p> <p>The Board/BNRC continuously reviews the Board Skills Matrix, which serves to identify the skills, knowledge, experience and capabilities desired of the Board to enable it to meet both current and future challenges to the Company. It reflects the appropriate mix of skills, expertise and experience required to address existing and emerging business and governance issues, to enable Directors to effectively review Management's performance.</p> <p>The Board approved the BNRC's recommendation that in order to strengthen the Board's composition to be more dynamic, the skills and gaps that have been identified as critical and need to be filled are technical experience, international business experience and customer centricity. The Board agreed that all Directors appointed during the Financial Year under review had met the required skills.</p> <p>The Board believes that it presently has an appropriate balance of skills, experience, knowledge and independence to deliver the Group's strategy, to enable the Non-Executive Directors to effectively challenge the views of Management and to satisfy the requirements of good governance.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Clause 64(1) of the Company's Constitution provides, among others, that one-third (1/3) of the Directors at the time being of whom have been longest in office shall retire by rotation at the AGM of the Company and shall be eligible for re-election.</p> <p>Clause 63(2) of the Company's Constitution provides, among others, that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.</p> <p>Juniwati Rahmat Hussin, Gopala Krishnan K.Sundaram and Datuk Rawisandran a/l Narayanan are retiring by rotation in accordance with Clause 64(1) of the Company's Constitution and being eligible, have offered themselves for re-election.</p> <p>The Board recognises that the Directors' performance are used as basis in recommending their re-election to the shareholders. This, in turn, is determined through their annual evaluation and independence assessment, which are assessed by the BNRC before any recommendation is made to the Board for deliberation and approval. Based on the annual independence assessment undertaken by the Independent Directors of whom are retiring at the coming AGM, namely Juniwati Rahmat Hussin, Gopala Krishnan K.Sundaram and Datuk Rawisandran a/l Narayanan, the BNRC/Board are satisfied that these Independent Directors have complied with the independence criteria as prescribed by the MMLR and continue to bring independent and objective judgement to the Board.</p> <p>They have exercised the duty of care and diligence as Directors in the best interest of the Company, its shareholders and stakeholders. All retiring Directors named above, through the Board Evaluation Assessment including Self and Peer Assessment, have met the</p>

	<p>performance criteria required of an effective and high-performance Board.</p> <p>In respect of the new appointments made to the Board, Dato' Abdul Razak bin Abdul Majid, Datin Rashidah binti Mohd Sies and Rohaya binti Mohammad Yusof shall retire at the forthcoming AGM in accordance with Clause 63(2) of the Company's Constitution and being eligible, have offered themselves for re-election.</p> <p>Dato' Abdul Razak bin Abdul Majid and Datin Rashidah binti Mohd Sies are the Appointed Directors by MoF Inc., while Rohaya binti Mohammad Yusof represents the EPF.</p> <p>In addition, all retiring Directors have declared that they did not have any existing or potential conflict of interest within or outside the Company that could affect the execution of their roles as Company Directors.</p> <p>Having considered their fit and proper assessment, due diligence for the newly appointed Directors, professionalism, vast experience, material relationship, competency, commitment and individuals' contributions in performing their respective duties, the Board and the BNRC are satisfied that all Directors who are standing for re-election at the 33rd AGM have met the Board's expectation by continuously discharging their duties diligently as Company Directors.</p> <p>With that, upon the BNRC's assessment, the Board resolved to support and recommend the re-election of each Director who is retiring at the upcoming 33rd AGM.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The BNRC is chaired by Dato Roslina binti Zainal, an Independent Non-Executive Director with effect from 25 March 2021. Currently she is well supported by two (2) Members, Datuk Amran Hafiz bin Affifudin and Dato' Merina binti Abu Tahir.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges and strongly supports the need to enhance board diversity as it is critical to the efficient functioning of the Board and good governance. In addition, the Board believes that the appointments of the existing Directors were guided by their skills, experience, competency and wealth of knowledge while taking into consideration gender diversity.</p> <p>The Board fully supports the Government's target of having 30% women's participation on Boards of public companies by ensuring targeted women representation at the Board level.</p> <p>At the issuance of this CG report, there are six (6) women on Board, namely Datin Rashidah binti Mohd Sies, Rohaya binti Mohammad Yusof, Ong Ai Lin, Juniwati Rahmat Hussin, Dato' Roslina binti Zainal and Dato' Merina binti Abu Tahir, representing 55% of the Board. These women Directors hold significant positions on the Board and its Committees whereby Ong Ai Lin is the Senior Independent Non-Executive Director of TNB and Chairman of BRC, Dato' Merina binti Abu Tahir is the Chairman of BAC, Dato' Roslina binti Zainal is the Chairman of BNRC and BLTIP, Juniwati Rahmat Hussin is the Chairman of BIC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	: Applied
Explanation on application of the practice	<p>The Board continuously seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped in assisting the Company to navigate the range of opportunities and challenges ahead.</p> <p>The Board acknowledges and strongly supports the need to enhance board diversity as it is critical to the efficient functioning of the Board and good governance. In addition, the Board believes that the appointments of the existing Directors were guided by their skills, experience, competency and wealth of knowledge while taking into consideration gender diversity.</p> <p>The Board fully supports the Government's target of having 30% women's participation on Boards of public companies by ensuring targeted women representation at the Board level.</p> <p>In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board may utilise independent sources to identify suitably qualified candidates.</p> <p>The Board shall continue to assess and consider the capabilities, commitment and qualities of candidates to be appointed as Board Members in accordance with TNB's Constitution, taking into account the fit & proper assessment, required mix of skills, background/experience/expertise/ knowledge relevant to the Company's strategic plan and business/industry.</p> <p>The Board/BNRC continuously review the Board Skills Matrix, which serves to identify the skills, knowledge, experience and capabilities desired of the Board to enable it to meet both current and future challenges of the Company. It reflects the appropriate mix of skills, expertise and experience required to address existing and emerging business and governance issues, to enable Directors to effectively review Management's performance.</p> <p>The table below shows the gender diversity split on the Board and Senior Management in the wider workforce:</p>

Gender	Male		Female		Total
	No.	%	No.	%	No.
TNB Board (excluding Alternate Director)	5	45%	6	55%	11
Top Management (comprises of GEMC, C-Suite, Senior General Managers)	266	74%	92	26%	358
Senior Managers	601	64%	331	36%	932
Managers	1,364	60%	913	40%	2,277
Executives	1,750	58%	1,260	42%	3,010
Non-Executives	17,334	85%	3,015	15%	20,349
Total	21,320	79%	5,617	21%	26,937

TNB is a highly technical organization with a strong male-dominated workforce since the formation of Central Electricity Board (CEB), Lembaga Elektrik Negara (LLN), and now TNB. It has been standard practice in TNB that the selection of talent is based on meritocracy within an existing pool of talents.

While the women representation on the Board had increased, culminating, to date, with six (6) members of the Board or 55%, we recognise there are still a lot more to do, not least with regard to other areas of diversity at the Board level.

For the last few years, TNB has established a Succession Management Framework which ensures the pool of successors inclusive of female talents. Thus, it drives the capability building of women leadership in TNB. Recently, TNB also enrolled as a member of the 30% Club as a commitment and support to this agenda.

On 1 November 2022, TNB Group Human Resource Division in collaboration with the Company Secretary's Office held the Successors Engagement Programme with the Board and Top Management with the theme "Realising Sustainability Through Diversity" which focused on the development of Women's Leadership through discussion on the role, development and leadership among women to achieve the Company's goals and aspirations. The theme was chosen to support the Company's efforts to empower the Diversity and Inclusion element. Through this session the Board and Top Management were able to interact with potential successors and were exposed to the role and importance of women's development in TNB.

In Financial Year 2022, TNB Group saw an increase in the number of women in Senior Management roles from 100 people in Financial Year

	<p>2021 to 103 people. Women now comprise 21% of the organisation. While our gender balance differs based on specific roles, geographies and bands, we are pleased that female representation in our leadership has increased to 26% compared to 21% in the previous Financial Year.</p> <p>The pool of potential women talent for Senior Management in TNB also increases from 33% to 36%, that is from the Senior Manager Group. TNB will continue to empower women’s employability and presence in management through talent and training programmes.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board recognises that an objective and well-managed board evaluation process can lead to substantial improvement in Board effectiveness, bringing significant benefits to the Company. This is achieved through annual performance evaluations, induction programmes for new Board members and ongoing Board development activities.</p> <p>TNB supports Practice 6.1 of MCCG whereby for Large Companies, the Board engages independent experts at least every three (3) years to facilitate objective and candid Board evaluations. The last assessment carried out by the independent expert, Willis Towers Watson (WTW), was in 2021.</p> <p>For Financial Year 2022, the Board Effectiveness Evaluation (BEA) was conducted internally and facilitated by the Company Secretary through questionnaires guided by the Bursa Corporate Governance Guide (4th Edition). The questionnaires for the 2022 BEA were divided into several sections:</p> <ul style="list-style-type: none">i. Questionnaire Relating to ESG or Sustainabilityii. Board & Board Committees Effectiveness Assessmentiii. Directors and Board Committee Members' Self and Peer Assessment (SPA), including Fit & Proper Assessmentiv. Board Audit Committee Evaluationv. Board Audit Committee Members' SPA <p>The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, Quality of Information and Decision-making, Boardroom Activities and Board's Relationship with the Management as well as the effectiveness of the Chairman and the P/CEO.</p>

The assessment of individual Directors' contribution and performance is conducted based on performance criteria which are incorporated in the Directors' SPA questionnaires. This included, among others:

- i. will and ability to critically challenge and ask the right questions
- ii. confidence to stand up for a point of view and offer advice/guidance
- iii. character and integrity in dealing with potential conflict of interest situations
- iv. calibre and personality
- v. commitment to serve the Company
- vi. due diligence and integrity
- vii. fit & proper
- viii. independence and objectivity
- ix. skills and competencies
- x. contribution and performance

Performance evaluations of the Board include reviews of its performance in addressing the Company's material sustainability risks and opportunities.

The effectiveness of Board Committees is assessed in terms of structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairmen of the respective Board Committees. The SPA for the Board Committee members is similar to the Directors' SPA, which is intended to assess their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board/Board Committees.

The SPA also examines the ability of each Board or Committee member to give input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process. It also takes into account the ability of each individual member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, provide logical honest opinion and offer practical and realistic advice to the discussions.

Based on the 2022 BEA results, the overall ratings for the 2022 BEA were in average of 4.0, indicating that the performances of the Board, each Board Committees, individual Directors and members of each Board Committees had been satisfactory. Each Director was generally effective in discharging his/her duties/responsibility.

It was clear that the effectiveness of both the Chairman and P/CEO is reflective of the Board's confidence in them, indicating strong and effective leadership in spearheading the Company's direction.

The Board is seen to be effective and ensures the integrity of the Company is aligned with regulatory requirements, internal standards and best practices. The Board is committed to its fiduciary duties and

	<p>assumes the core responsibilities of reviewing and monitoring the Group's strategic plan, overseeing and evaluating the conduct of the Group's business and establishing sound risk management and internal control frameworks for the Group.</p> <p>The BEA findings for Financial Year 2021 indicated that the Board recognised the need to continuously strengthen its composition in terms of diversity, in line with its strategic direction and enhance the succession planning of the Board/Top Management. Based on the 2022 BEA findings, areas that required ongoing attention for continuous improvement were sustainability strategies and Directors' trainings need to be tailored according to the Directors' need.</p> <p>Following the recent appointments of Dato' Abdul Razak bin Abdul Majid, Datin Rashidah binti Mohd Sies and Rohaya binti Mohammad Yusof, they shall be considered for the next BEA for the Financial Year ending 31 December 2023.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, with the assistance of the BNRC, reviews the overall remuneration policy for Non-Executive Directors, Executive Directors and Top Management. The policy aims to attract, retain and motivate executives and Directors who will create sustainable value and generate returns for the Company. The remuneration package is structured to link rewards to corporate and individual performance, reflecting the contributions towards the Group's achievements for the year.</p> <p>The Directors' Remuneration Policy is shaped by the following underlying principles:</p> <ul style="list-style-type: none">i. Alignment with strategy and business objectives;ii. Alignment with shareholders' interest;iii. Long-term success of the Company;iv. Consistency and transparency;v. Reward performance with competitive remuneration;vi. Alignment with market/ industry practices;vii. Support Company values. <p>The Non-Executive Directors are remunerated through fixed monthly fees, meeting allowances and benefits-in-kind, inclusive of the reimbursement of utilities bills and business peripherals.</p> <p>The last increment of the Non-Executive Directors remuneration/benefits payable was made in 2013. The Board in 2021 engaged Willis Towers Watson to undertake Non-Executive Directors' Remuneration Benchmarking exercise. Based on the findings, the structure of Non-Executive Directors' remuneration (including benefits) was generally aligned with the market practice and the existing remuneration is recommended to be retained and reviewed in three (3) years' time.</p>

	<p>The remuneration package for the Executive Director (P/CEO) is structured to link rewards to corporate and individual performance. It comprises salary, allowances, bonuses and other customary benefits as accorded by comparable companies. A significant portion of an Executive Director’s compensation package has been made variable and is determined by performance during the year against individual KPIs in a scorecard aligned with the corporate objectives as approved by the Board.</p> <p>The BNRC annually evaluates the performance of the P/CEO and Top Management, whose remunerations are directly linked to their respective KPIs of which the performance objectives relating to sustainability, including ESG rating, health and safety measures, integrity health index and the growth of TNB's renewable energy capacity, are tied to the P/CEO and Top Management KPI. The P/CEO’s remuneration package is reviewed by the BNRC to reflect the contributions made towards the Group’s achievements for the year. The P/CEO recuses himself from deliberation and voting on his remuneration at Board meetings.</p> <p>The key elements of remuneration package for Top Management are structured into three (3) components namely:</p> <ul style="list-style-type: none"> i. Base Salary, Fixed Allowances and Benefits ii. Short Term Incentive (STI) iii. Long Term Incentive Plan (LTIP). <p>The Base Salary needs to be competitive enough to attract and retain the relevant talents, of which is determined by the scope of work, experience and expected performance of a talent. Whereas the fixed allowances are for certain benefits in cash and is not link to base salary.</p> <p>STI is based on yearly performance and paid as bonuses subjected to the profitability of the Company and the performance of Top Management. Performance is measured based on quantitative targets and their alignment to the values the Company stands for which would be qualitative in nature. The LTIP is to retain and reward Top Management to see out the growth and business strategy aligning to the long-term success of the Company.</p> <p>In summary, TNB strongly believes in performance culture and the remuneration policy serves to pay competitively for sustainable performance while being in line with the shareholders’ interest.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC has a dual role, which among others identify and recommend new nominees to the Board, Board Committees and the Group, and to determine the remuneration packages of the Non-Executive Directors (NED), the Executive Director and the Top Management.</p> <p>The BNRC ToR is available on TNB's website: https://www.tnb.com.my/listings/corporate_governance/</p> <p>The remuneration policy aims to attract, retain and motivate executives and Directors who will create sustainable value and returns for the Company's members and other stakeholders. There is a clear distinction between the remuneration structure of the Non-Executive Directors and of the Executive Director and the Top Management.</p> <p>A significant portion of an Executive Director's compensation package is determined by performance during the year against individual KPIs in a scorecard aligned with the corporate objectives as approved by the Board.</p> <p>The BNRC reviews the performance of the Executive Director as well as the Top Management annually and submits views/recommendations to the Board on adjustments in remuneration and/or rewards to reflect the Executive Director's/ Top Management contributions towards the Group's achievements for the year. The remuneration package for the Top Management is also structured to link rewards to corporate and individual performance.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied																											
Explanation on application of the practice	:	<p>TNB aims to set remuneration at levels which are sufficient to attract, retain and motivate Executives and Directors who will create sustainable value and returns for the Company's members and other stakeholders. There is a clear distinction between the remuneration structure of the Non-Executive Directors, Executive Director and Top Management.</p> <p><u>TNB Non-Executive Directors' Remuneration and its subsidiaries</u></p> <p>The overall objectives of the Board Nomination and Remuneration Committee (BNRC) are to determine an appropriate remuneration policy that aligns remuneration with strategy to drive the long-term success of the Company and ensure that the Company may continue to attract, retain and motivate quality leaders.</p> <p>TNB Board upon BNRC recommendation, shall determine and recommend the remuneration of Non-Executive Directors for shareholders' approval at the Annual General Meeting. The Non-Executive Directors are remunerated through fixed monthly fees, meeting allowances and benefits-in-kind, inclusive of the reimbursement of utilities bills and business peripherals.</p> <table border="1"> <thead> <tr> <th rowspan="2">Description</th> <th colspan="2">TNB Board</th> <th colspan="2">TNB Subsidiaries</th> </tr> <tr> <th>Chairman</th> <th>Non-Executive Directors</th> <th>Chairman</th> <th>Non-Executive Directors**</th> </tr> </thead> <tbody> <tr> <td>Monthly fixed fees</td> <td>RM30,000 per month</td> <td>RM20,000 per month</td> <td>Category I – RM20,000 Category II – RM7,000 Category III – RM5,000</td> <td>Category I – RM15,000 Category II – RM5,000 Category III – RM3,000</td> </tr> <tr> <td colspan="5">*Meeting Allowances (per meeting):</td> </tr> <tr> <td>(i) Board</td> <td>RM2,500</td> <td>RM2,000</td> <td>Category I – RM2,000</td> <td>Category I – RM1,500</td> </tr> </tbody> </table>				Description	TNB Board		TNB Subsidiaries		Chairman	Non-Executive Directors	Chairman	Non-Executive Directors**	Monthly fixed fees	RM30,000 per month	RM20,000 per month	Category I – RM20,000 Category II – RM7,000 Category III – RM5,000	Category I – RM15,000 Category II – RM5,000 Category III – RM3,000	*Meeting Allowances (per meeting):					(i) Board	RM2,500	RM2,000	Category I – RM2,000	Category I – RM1,500
Description	TNB Board		TNB Subsidiaries																										
	Chairman	Non-Executive Directors	Chairman	Non-Executive Directors**																									
Monthly fixed fees	RM30,000 per month	RM20,000 per month	Category I – RM20,000 Category II – RM7,000 Category III – RM5,000	Category I – RM15,000 Category II – RM5,000 Category III – RM3,000																									
*Meeting Allowances (per meeting):																													
(i) Board	RM2,500	RM2,000	Category I – RM2,000	Category I – RM1,500																									

			Category II & III – RM1,500	Category II & III – RM1,000
(ii) Board Committees	RM2,000	RM1,500	Category I – RM1,500 Category II & III – RM1,000	Category I – RM1,000 Category II & III – RM800
Benefits	Medical, Business Peripherals, Utilities Bills, Travelling & Telecommunication and other claimable benefits			
<p>* subject to not more than three (3) payments in a month. **save for TNB Non-Executive Chairman, none of TNB Non-Executive Directors are currently on the board of TNB subsidiaries.</p> <p>In determining the estimated total amount of benefits payable, the Board has considered various factors including the number of scheduled and special meetings for the Board, Board Committees and boards of subsidiaries along with the number of Non-Executive Directors involved.</p> <p>Payment of Non-Executive Directors' benefits will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred, subject to shareholders' approval at the Annual General Meeting.</p>				

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Indera Ir. Baharin bin Din	Executive Director	-	60.00	1,560.00	1,430.00	107.52	1,126.78	4,284.30	-	60.00	1,560.00	1,430.00	107.52	1,126.78	4,284.30
2	Datuk Amran Hafiz bin Affudin	Non-Executive Non-Independent Director	-	-	-	-	36.00	-	36.00	-	-	-	-	36.00	-	36.00
3	Juniwati Rahmat Hussin	Independent Director	240.00	88.00	-	-	4.68	-	332.68	240.00	88.00	-	-	4.68	-	332.68
4	Gopala Krishnan K. Sundaram	Independent Director	240.00	79.50	-	-	26.39	-	345.89	240.00	79.50	-	-	26.39	-	345.89
5	Ong Ai Lin	Independent Director	240.00	72.00	-	-	35.38	-	347.38	240.00	72.00	-	-	35.38	-	347.38
6	Dato' Roslina binti Zainal	Independent Director	240.00	94.50	-	-	27.65	-	362.15	240.00	94.50	-	-	27.65	-	362.15
7	Datuk Rawinsandran a/l Narayanan	Independent Director	240.00	68.50	-	-	40.01	-	348.51	240.00	68.50	-	-	40.01	-	348.51
8	Datuk Lau Beng Wei	Independent Director	240.00	60.50	-	-	18.00	-	318.50	240.00	60.50	-	-	18.00	-	318.50
9	Dato' Merina binti Abu Tahir	Independent Director	220.00	76.50	-	-	41.85	-	338.35	220.00	76.50	-	-	41.85	-	338.35
10	Dato' Sri Hasan bin Arifin (Cessation of Office as Chairman w.e.f. 1 January 2023)	Non-Executive Non-Independent Director	360.00	40.00	-	-	68.01	-	468.01	420.00	47.50	-	-	68.01	-	535.51
11	Datuk Seri Asri bin Hamidin @ Hamidon (Cessation of Office as Director w.e.f. 5 January 2023)	Non-Executive Non-Independent Director	240.00	46.50	-	-	-	-	286.50	240.00	46.50	-	-	-	-	286.50

12	Dato' Ir. Nawawi bin Ahmad (Demised on 28 November 2022)	Independent Director	218.67	76.00	-	-	48.22	-	342.89	218.67	76.00	-	-	48.22	-	342.89
13	Faisal @ Pital bin Abdul Ghani (Cessation of Office as Alternate Director to Datuk Seri Asri bin Hamidin @ Hamidon w.e.f. 5 January 2023)	Non-Executive Non-Independent Director	-	15.50	-	-	20.50	-	36.00	-	15.50	-	-	20.50	-	36.00
14	Azmin bin Ishak (Cessation of Office as Alternate Director to Datuk Seri Asri bin Hamidin @ Hamidon w.e.f. 10 February 2022)	Non-Executive Non-Independent Director	-	3.50	-	-	25.29	50.00	78.79	-	3.50	-	-	25.29	50.00	78.79
15	Input info here	Choose an item.	Input info here													

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company has opted not to disclose the components of the remuneration of its Top Management as such disclosure maybe disadvantageous to the Company's business interest based on the following justifications:-</p> <ul style="list-style-type: none">i. it is unfavourable to the Company where it may bring inharmonious environment between the Top Management and the employees that can jeopardise the Management's existing transformation effort to achieve TNB's Reimagining targets;ii. to ensure employee retention efforts are safeguard due to probability of talent pinching;iii. the concern about the individual security (including their family members) given the sensitivity of such information;iv. that such disclosures are subject to the Personal Data Protection Act (PDPA) 2010, which requires consent from the respective Top Management. <p>The success of Tenaga Nasional Berhad (TNB) as a profitable entity while continuing to be relevant to all stakeholders is dependent on its talents, especially the Top Management team. Therefore, it's imperative that TNB can attract, inspire and retain relevant talented leaders. One (1) of the tools to support this aspiration is a competitive remuneration policy.</p> <p>The key elements of our remuneration package for Top Management can be divided into three (3) areas namely:</p> <ul style="list-style-type: none">i. Base Salary, Fixed Allowances and Benefits;ii. Short Term Incentive;

	<p>iii. Long Term Incentive.</p> <p><u>Base Salary, Fixed Allowances and Benefits</u></p> <p>Appropriate Base Salary needs to be competitive enough to attract the relevant talents and retain them. Determination of base salary would depend on the scope of the roles, experience the person brings and performance expected from the talent. Whereas fixed allowances are for certain benefits in cash and is not link to base salary. Other benefits are formulated to be cost-effective which would help in attracting and retaining the Top management.</p> <p><u>Short Term Incentive (STI)</u></p> <p>STI is based on yearly performance and paid as bonuses subjected to the profitability of the Company and the performance of Top Management. Performance is measured based mainly quantitative targets and their alignment to the values the Company stands for which would be qualitative in nature. Based on these results the individual is rewarded appropriately.</p> <p><u>Long Term Incentive Plan (LTIP)</u></p> <p>The LTIP is to retain and reward Top Management to see out the growth and business strategy aligning to the long-term success of the Company. It motivates for sustained performance over multi-year period thus incentivising long-term employee behaviour. LTIP provides a total remuneration package, and it creates an “ownership” mentality for the performing Top Management.</p> <p>In summary, TNB strongly believes in performance culture and the Remuneration policy is to pay competitively for sustainable performance while being in alignment with the shareholders’ interest.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>: The Company has implemented the above method of determining the remuneration for Top Management since 2005 when TNB participated in the GLC Transformation Initiative.</p>	
<p>Timeframe</p>	<p>: Others</p>	<p>NA</p>

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	Choose an item.	Choose an item.				

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	Input info here	Input info here						

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Effective 1 February 2022, Dato' Merina binti Abu Tahir has been appointed as the Chairman of Board Audit Committee (BAC).</p> <p>The Chairman of BAC is an Independent Non-Executive Director and is not the Chairman of the Board, so as not to impair the objectivity of Board's view of the BAC's findings and recommendations.</p> <p>Dato' Abdul Razak bin Abdul Majid was appointed as Chairman/Non-Independent Non-Executive Director, with the concurrence of MoF Inc., with effect from 27 March 2023 in place of Dato' Sri Hasan bin Arifin who had ceased office with effect from 1 January 2023.</p> <p>This requirement is also stipulated in the BAC's ToR which is accessible on TNB's official website at www.tnb.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>TNB's External Auditors Policy, which was revised on 14 February 2022, states that a former key audit partner has to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.</p> <p>Similarly, the BAC's TOR requires a former partner of the Company's external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.</p> <p>Currently, none of the BAC members are the former key audit partner of TNB's External Auditor within the last three (3) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>As stipulated in the in BAC's TOR, the Committee is responsible to assess the suitability, objectivity and independence of the External Auditor to safeguard the quality and reliability of audited financial statements.</p> <p>The assessment is performed based on TNB's External Auditors Policy that has been adopted by Audit Committee on 29 January 2016 which sets out:</p> <ul style="list-style-type: none">i. selection and appointment requirements of external auditors;ii. independence;iii. conflict of interest;iv. non-audit services by external auditors;v. rotation of audit partner;vi. annual reporting;vii. annual assessment; andviii. audit fees. <p>The policy was last reviewed on 14 February 2022 to ensure relevance with applicable laws and best practices.</p> <p>On an annual basis, the Audit Committee is responsible for the appointment, remuneration and removal of the External Auditor. This is performed based on a formalised assessment of the External Auditor's services in terms of quality of services, sufficiency of resources, communication and interaction, and independence, objectivity and professional scepticism. The assessment of the External Auditor also takes into account the information presented in the Annual Transparency Report (ATR) of the audit firm.</p> <p>The BAC has also evaluated the independence and objectivity of External Auditor including reviewing the fees and list of non-audit services provided by External Auditor to TNB and the Group on a quarterly basis.</p> <p>To further reinforce independence of the External Auditor, two (2) meetings were held with the External Auditor without the presence of</p>

	<p>Management and Executive Directors from 1 January 2022 to 31 December 2022.</p> <p>Additionally, the External Auditor confirmed to the Board their independence within the meaning of applicable laws and regulations. The Board, being satisfied with the External Auditor’s performance, had approved the Audit Committee’s recommendation on the re-appointment of External Auditor for shareholders’ approval at the forthcoming Annual General Meeting.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>As at the date of this report, the BAC comprises solely of Independent Directors, as follows:</p> <ul style="list-style-type: none">i. Dato' Merina binti Abu Tahir (Chairman)ii. Ong Ai Liniii. Juniwati Rahmat Hussiniv. Gopala Krishnan K.Sundaramv. Datuk Rawisandran Narayanan <p>The membership details of the BAC for Financial Year 2022 are provided in TNB's Integrated Annual Report which is accessible at TNB's official website.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>As of 31 December 2022, two (2) members of the Audit Committee i.e. Dato' Merina binti Abu Tahir and Ong Ai Lin are members of the Malaysian Institute of Accountants (MIA). The Audit Committee, therefore, meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which stipulates that at least one member of the Audit Committee must be a member of the MIA.</p> <p>The following are stipulated in the Audit Committee's ToR pertaining to the members' skills and professional development:</p> <ul style="list-style-type: none">i. Keep abreast of the latest corporate governance guidelines in relation to BAC and the Board as a whole.ii. Possess adequate financial literacy in order to continuously apply a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financials.iii. Undertake continuous professional development programs to keep abreast of relevant developments in governance practices, accounting and auditing standards, practices and rules, and related areas. <p>The qualifications, skills, experience and expertise vary among the BAC members of whom are from diverse fraternities such as legal, accountancy, petrochemical, economics, and engineering. With their knowledge/vast experience, they are not only capable to understand the matters under the BAC's purview but also be able to provide sound advice to the Board in terms of financial reporting, internal and external audit reports as well as other matters to be considered by the BAC.</p>

	The committee members have made continuous effort to develop and refresh their knowledge and skills on an ongoing basis. The list of trainings attended by the BAC members are set out in TNB's Integrated Annual Report.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Risk management in TNB is governed by the TNB Risk Management Framework, which adopts the principles and guidelines set out in ISO 31000:2018, 'Risk Management – Guidelines'. The framework was approved by the Board Risk Committee (BRC). The framework provides a structured and consistent approach for risk management implementation across TNB Group. The purpose of risk management is to create and protect value and this is exemplified through each element in the TNB Risk Management Framework.</p> <p>The internal control framework is structured in such a manner that it provides reasonable assurance that the likelihood of an event with significant adverse impact on business objectives is managed within tolerable levels. This is achieved through a combination of preventive, detective and corrective measures.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The features of the TNB Risk Management Framework are leadership and commitment, culture, business strategy, risk assessment, review, monitor and report, communication and integration. A centralised Risk Management Department led by the Chief Risk Officer is responsible for the implementation of the framework across TNB Group and continual improvement of its suitability, adequacy and effectiveness.</p> <p>Various board committees have been set up to promote governance, transparency and accountability as each committee plays its oversight role as stipulated in its respective ToR. The responsibility for implementing and executing the risk management and internal control system across TNB Group resides with management, which reviews, monitors and takes relevant and timely action as and when required. Various management committees have been established to direct, monitor and ensure that business operations are carried out in accordance with the Group's approved long-term and short-term strategies and policies.</p> <p>A structured risk assessment process is in place to guide the Group to identify, analyse, evaluate and treat risks. Identified risks are documented and monitored through the TNB Risk Information System (TRIS), an online real-time tool.</p> <p>Risk Management Department assesses the risk maturity of business entities with the objective of assessing the effectiveness of implementation of the TNB Risk Management Framework by the respective business entity.</p> <p>For the year under review, the Board had reviewed the adequacy and effectiveness of the Group's risk management and internal control systems through reports and updates from the Chief Risk Officer and Chief Internal Auditor.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board Risk Committee (BRC) was established on 5 June 2013 by the Board to assist the Board to carry out its responsibilities. The Board, through the BRC, is responsible to oversee the effectiveness and adequacy of the Group's risk management framework and to ensure that it forms part of the Group's corporate culture.</p> <p>For the year under review, all four (4) members of the BRC are independent non-executive directors with diverse experiences in the fields of audit and finance, law and oil and gas.</p> <p>The BRC is guided by its ToR in carrying out these responsibilities:</p> <ul style="list-style-type: none">i. Oversee the establishment and implementation of the risk management framework that is embedded into the culture, processes and structures of the Group and is responsive to changes in the business environment.ii. Approve the risk management framework and policies on behalf of the Board.iii. Ensure that the principles and requirements of managing risk are consistently communicated and adopted throughout the Group.iv. Deliberate the Group's strategic risks as well as key operating risks and risk issues through timely and regular reports and ensures the implementation of appropriate systems to manage these risks. It has the authority to direct special investigations, on behalf of the Board, into significant risk management activities, as and when necessary.v. Approve on behalf of the Board, the risk appetite for the strategic risks and key operating risks and ensures that actions are taken in a timely manner when risks are outside tolerable ranges.

	vi. Review the adequacy of and to provide independent assurance to the Board of the effectiveness of the risk management framework implemented in the Group on an annual basis.
--	---

Intended Outcome

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

Practice 11.1

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

Application	: Applied
Explanation on application of the practice	<p>TNB's internal audit function, which is under the purview of Group Internal Audit Department (GIA), is established by the Board to provide independent, objective assurance and consulting services designed to add value and improve TNB's operations.</p> <p>GIA is headed by Lizah binti Abd Wahab, the Chief Internal Auditor, who reports functionally to the Audit Committee and administratively to TNB's P/CEO.</p> <p>GIA endeavours to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight, based on the Annual Audit Plan approved by the BAC.</p> <p>The BAC reviews the performance of GIA on a quarterly basis through its achievement reports and approves the achievement of Chief Internal Auditor's performance management result.</p> <p>The Chief Internal Auditor declares GIA's organisational independence on an annual basis. The BAC has established the roles and responsibilities of GIA in the Internal Audit Charter which is reviewed annually.</p> <p>During Financial Year 2022, GIA issued a total of 133 reports arising from 70 planned audits, four (4) ad-hoc audits, and 59 follow-up audits.</p> <p>Internal audit reports were issued to Management and they contained audit observations, issues, management response and corrective actions in areas with significant risks and internal control deficiencies.</p> <p>Management provided the corrective and preventive actions as well as deadlines to complete the actions. Audit findings were tabled to the BAC for deliberation.</p> <p>Additionally, TNB's state of internal controls for areas reviewed was also tabled to the Audit Committee for their deliberation. Management will be present at the BAC meetings to respond and provide feedback on the progress of business process improvement opportunities identified by GIA.</p>

	Further information on GIA and duties discharged by the BAC to ensure effectiveness and independence of GIA is available in the Statement of Internal Audit Function and BAC Report of TNB's Integrated Annual Report, respectively.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Auditors are required to declare their independence prior to commencement of every audit. Additionally, all GIA staff are required to perform an annual declaration on their adherence to the Code of Ethics, and that are free from any relationships or conflicts of interest, which could impair their objectivity and independence. Any non-conformance and/or conflicts of interest will be reported to either the Chief Internal Auditor or to the BAC. Annually, the Chief Internal Auditor declares overall GIA’s organisational independence status to the BAC.</p> <p>As at 31 December 2022, GIA had a total of 62 auditors with diverse disciplines namely accounting, finance, business, engineering, quantity surveying, data analysis and information technology. As at 31 December 2022, 27 GIA staff possessed various professional certifications i.e. Certified Internal Auditor (12), Certified Information System Auditor (4), Certification in Risk Management Assurance (4), Association of Chartered Certified Accountants (3), Chartered Institute of Management Accountants (1), Chartered Accountant Malaysia (3), Professional Engineer (2), Professional Technologist (10), CISCO Certified Network Associate (3), and Certified COBIT 5 (3).</p> <p>GIA is headed by Lizah binti Abd Wahab. She joined GIA in 2004 and was appointed as the CIA on 1 April 2021. She holds a Bachelor of Accounting and Finance degree and a Master of Business Administration. She is a Certified Internal Auditor and holds the Certification of Risk Management Assurance.</p> <p>GIA adopts the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing to manage its functions and perform audit engagements. Additionally, GIA maintains a quality assurance and improvement program covering its internal audit processes, which is subject to an internal assessment annually and an external assessment by an independent external assessor once in three (3) years. An independent validation of GIA’s work was conducted in Financial Year 2021, and the next external assessment is planned to take place in Financial 2024.</p>

	<p>GIA is also guided by the internal audit manual as well as the Internal Control Framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technologies (COBIT) in assessing and reporting on the adequacy and in assessing and reporting on the adequacy and effectiveness of the design, implementation and efficiency of the Group’s overall system of internal controls, risk management and governance.</p> <p>Further information pertaining to the internal audit function is available in the Statement of Internal Audit Function of TNB’s Integrated Annual Report.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>We have a well-established programme of engaging with a wide range of stakeholders who are key to the successful delivery of our strategy. These include shareholders, government, regulators, environmental bodies and trade unions. We know that actions taken today will shape the longer-term performance of TNB and determine our impact on the wider world, including our contribution to action on climate change. Such engagement broadens our understanding of the issues we take into account, informs our decision-making and helps to protect the long-term interests of stakeholders.</p> <p>The Board is responsible for engagement with stakeholders and ensures that appropriate Board time is given to discussing their concerns and that sufficient resources are available for the Group to effectively engage. Internally, divisions across the organisation maintain engagement with key stakeholders, ensuring effective communications channels and mitigation of any concerns. Members of executive management, including Executive Director, provide regular updates to the Board, to ensure awareness and inform discussions. The Board takes these opportunities to assess and challenge management's approach relating to engagement.</p> <p>We are dedicated to building strong relationships with key stakeholder groups. Through meaningful interactions with our stakeholders, we can leverage their insights and address any pressing emerging interests or concerns, keeping us focused on key sustainability matters. Ultimately, this will translate into the strategic management of sustainability in delivering long-term value for our stakeholders.</p> <p>Further details on TNB's Stakeholders Engagement is on pages 192 to 195 of the Integrated Annual Report 2022.</p> <p>TNB corporate website contains all relevant information of the Company and it is accessible to the public. The Media & Investors Section among others include the media releases, investor presentations, quarterly and annual financial statements, announcements, information on shares and dividends, Integrated Annual Reports and circulars/statements to shareholders, AGM</p>

	<p>Minutes & Appendixes as well as demand sales and foreign shareholdings.</p> <p>The Corporate Disclosure Policy, as well as associated guidelines, reinforce TNB's commitment to continuous disclosure and outline Management's accountabilities and the processes to be followed in ensuring compliance.</p> <p>For ease of reference and to better facilitate the stakeholders' understanding of the Company's business and the governance policies, various documents pertaining to the organisation, Board and Top Management, corporate governance, the Constitution, policies, the Board Charter, ToR and other related corporate information are accessible through the TNB's website at https://www.tnb.com.my/ethics-governance/board-charter/</p> <p>TNB recognises the importance of shareholders' participation in general meetings and encourages such participation. The shareholders are encouraged to participate in the general meetings and use the opportunity to ask questions and vote on important matters affecting the Company.</p> <p>TNB's practice is to release all price-sensitive information to Bursa Malaysia Securities Berhad in a timely manner as required under the MMLR and to the market and community generally through TNB's media releases, website and other appropriate channels.</p> <p>The Company Secretary is responsible for reviewing proposed disclosures and making decisions in relation to the disclosure of information to the market. Each Division in TNB is required to inform the Company Secretary of any potential price-sensitive information concerning TNB as soon as this becomes known.</p> <p>The Group commits to effective communication and proactive engagements with the investment community to foster purposeful and strategic relationships for sustainable long-term success. The Investor Relations (IR) team supports the Senior Management and maintains an inclusive practice of disseminating relevant and material information on the development of the Group to the investment community. We communicate formally with our investment community via various channels, namely:</p> <ul style="list-style-type: none"> • Quarterly and Full Year Financial Results Announcements • Engagement sessions with the investment community through one on-one/group meetings and investor conferences and Non-Deal Roadshows • Annual General Meeting • TNB corporate website's Investor Relations section • Bursa filings and Press Releases • Annual Integrated and Sustainability Reports, and • Email updates to investment community.
--	---

	<p>Active communication with existing and potential investors through various platforms keeps the investment community abreast of our strategic developments, financial and technical performance and other areas of interest as outlined under the "Investment Community Feedback" section below.</p> <p>Our dedicated Investor Relations section on TNB's corporate website at www.tnb.com.my provides an access to our corporate financial information as well as investor presentation to the investment community. The team welcomes any investor related queries and feedback at tenaga_ird@tnb.com.my</p> <p>More details on the Company's engagement activities by IR for the Financial Year under review are on pages 197 to 200 of the Integrated Annual Report 2022.</p> <p>The contact details of IR are available under Corporate Information on page 389 of the Integrated Annual Report 2022 and through the website: https://www.tnb.com.my/contact-us/investor-relations/</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>TNB since the Financial Year 2016 has adopted integrated reporting, which is aligned to global standards. This is also in line with TNB's Strategic Plan to be world-class electricity utility.</p> <p>The preparation of this integrated annual report was guided by the International Integrated Reporting Council's Framework (IIRF). In addition, this report also complies with and is guided by the following:</p> <ul style="list-style-type: none">i. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)ii. Companies Act 2016 (CA 2016)iii. Malaysian Code on Corporate Governance 2021 (MCCG)iv. Corporate Governance Guide (4th Edition) issued by Bursa Malaysiav. Malaysian Financial Reporting Standards (MFRS)vi. International Financial Reporting Standards (IFRS) <p>The TNB Integrated Annual Report provides comprehensive and material assessment of the Group's business operation and performance. This year's Sustainability Statement outlines the TNB sustainability agenda through efforts such as renewable energy and other environmental as well as social initiatives to add value to the stakeholders.</p> <p>This includes the performance of TNB's domestic and international operations as well as its long-term strategy towards the Company's aspiration to become a renewables leader in the ASEAN region.</p> <p>TNB's Sustainability Report details the manner in which TNB creates value for our stakeholders, focusing on our environmental, social, economic and governance imperatives.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM. It has been the Company's practice since 2017 as per the MCCG, to issue out the Notice of AGM to the shareholders at least 28 days prior to the meeting.</p> <p>The 32nd AGM Notice was also published in The News Straits Times, The Star and Berita Harian newspapers and made available on the Company's website.</p> <p>A Notification Card was also issued out to shareholders via post on 29 April 2022, same date as the 32nd AGM Notice issued electronically, 33 days prior to the AGM, beyond the 21 days' requirement stipulated in CA 2016 and the MMLR. The Notification Card contained a QR code which shareholders could scan for the following digital documents of the Company which are also available at TNB's website at https://www.tnb.com.my/aggm</p> <ul style="list-style-type: none">i. Notice of the Virtual 32nd AGMii. Administrative Details of the Virtual 32nd AGMiii. Integrated Annual Report 2021iv. Proxy Formv. Requisition Form <p>The additional time given to shareholders allows them ample time to make the necessary arrangements to attend and participate in our AGM remotely. It also enables the shareholders to familiarise with the Remote Participation and Voting (RPV) provided by our Share Registrar, Boardroom Share Registrars Sdn. Bhd.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors attended the 32nd AGM, including the Chairmen of respective Board Committees. The Engagement Partner of PricewaterhouseCoopers (PwC) was also in attendance at the AGM to answer shareholders' questions on the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of auditors in the audit process.</p> <p>There were 11 Directors who physically present at the Broadcast Venue in accordance with the SC's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, with only one (1) Director attended via remote participation. List of Directors are as follows:-</p> <ol style="list-style-type: none">1. Dato' Sri Hasan bin Arifin – Chairman2. Datuk Ir. Baharin bin Din – P/CEO3. Datuk Amran Hafiz bin Affifudin4. Juniwati Rahmat Hussin5. Gopala Krishnan K.Sundaram6. Ong Ai Lin7. Dato' Roslina binti Zainal8. Dato' Ir. Nawawi bin Ahmad9. Datuk Rawisandran a/l Narayanan10. Datuk Lau Beng Wei11. Dato' Merina binti Abu Tahir12. Datuk Seri Asri bin Hamidin @ Hamidon – virtual participation <p>Apart from Directors, the Key Senior Management had also attended remotely to provide the necessary support during the AGM proceedings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The TNB 32nd AGM was conducted in virtual manner pursuant to the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission dated 7 April 2022 (Revised Guidance Note).</p> <p>TNB has leveraged on technology to facilitate shareholders' participation in the AGM remotely via live streaming and online voting using the Remote Participation and Voting (RPV) facilities managed by our Share Registrar. Shareholders were provided with similar opportunities online as they would have had attending the AGM in person. They were able to view presentation on the Company's financial technical and operational highlights by the P/CEO, as well as vote and ask questions during the meeting.</p> <p>A dedicated link was created in our website within a stipulated timeframe so as to provide the shareholders with all information they needed to attend the meeting, including our virtual AGM online guide on how to use the online facility.</p> <p>Proactive measures were put in place to address any infringement of data privacy and potential cyber threats during the virtual AGM. The Share Registrar has in place due process which ensured only registered shareholders are allowed to attend and participate in the virtual AGM.</p> <p>The said technology:</p> <p>a) Are certified to the ISO/IEC 27001:2013 international standard. This provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity and availability of customer information and the personal data Lumi processes on their behalf. Lumi uses strong, industry best-practice encryption techniques to ensure customer data is protected from unauthorised access. All data is encrypted, with all keys managed directly by Lumi. There is also audit trail on respective Lumi system.</p>

	<p>b) All products are developed according to Open Web Application Security Project (OWASP) principles by Lumi’s highly skilled and trained in-house developers. Information security and data privacy are of paramount importance throughout all stages of the software development life cycle.</p> <p>c) The application is regularly and extensively penetration tested using independent, accredited third-party experts.</p> <p>d) All cloud-based infrastructure is provided by Amazon Web Services (“AWS”), using the latest industry standards in physical and logical controls. Strong controls to protect from Distributed Denial of Service (DDoS) are in place such as AWS Shield, throttling connection attempts, IP blacklisting etc.</p> <p>e) Boardroom’s client data is never used for quality assurance purposes and is not retained beyond the purpose of processing Client’s proxy forms for the conduct of the AGM.</p> <p>f) All client data is segregated in a multi-tenancy environment. For sovereignty of data, Lumi provides a geographic selection of data centres (Canada, USA, EU, Japan, Singapore and Australia).</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>At the commencement of the 32nd AGM, the Chairman had briefed the Shareholders and proxies present virtually at the AGM of their right to ask questions and vote on the resolutions set out in the Notice of the 32nd AGM dated 29 April 2022. A total of 1,598 shareholders and proxies registered and participated remotely via live streaming and online voting via the Boardroom Lumi AGM system.</p> <p>Shareholders may pose questions during the 32nd AGM live streaming at https://meeting.boardroomlimited.my. Shareholders may also submit questions in advance on the resolutions tabled at the 32nd AGM and Integrated Annual Report 2021 via Boardroom Investor Portal (BSIP) at https://investor.boardroomlimited.com</p> <p>Both the Chairman and P/CEO in their welcoming address and presentation to shareholders provided an overview of the Group's financial highlights and outlook, including the Company's business strategy. A copy of the presentation is also made available at the TNB's website via https://www.tnb.com.my/suppliers-investors-media-relations/agm-minutes-appendixes/</p> <p>Questions to the Board were keyed-in directly via the system and responses to relevant questions were provided live or via email after the AGM. All pertinent questions submitted during the meeting were answered either by the P/CEO, Chief Financial Officer or the Company Secretary at the meeting. In addition, the replies to the Minority Shareholders Watch Group's questions were included in the presentation.</p> <p>To ensure effective communication with the shareholders at the AGM, questions posed by shareholders were displayed on the screen for the meeting participants' reference whilst P/CEO, Chief Financial Officer or the Company Secretary read out the shareholders' questions.</p>

	<p>All Directors, including members of the Board Audit Committee and Board Nomination and Remuneration Committee, as well as the Senior Management were present either virtually or at the Broadcast Venue and ready to provide responses for questions addressed to them.</p> <p>The questions posed by the shareholders covered areas amongst others on the financials, business prospects, operations and on ESG. All responses have been made available with the Minutes of the 32nd AGM on TNB's website. Before ending the Q&A session, the Chairman had informed that the questions which had yet to be addressed during the Meeting, would be responded via email to the respective shareholders at the earliest possible time. Shareholders may also pose further questions regarding the AGM by sending their questions and feedback to tenaga_ird@tnb.com.my</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The TNB 32nd AGM was held virtually at the Broadcast Venue located at Kompleks Balai Islam An-Nur, TNB Headquarter which enabled the Company to ensure the required infrastructure and tools are in place for a smooth broadcast throughout the AGM proceedings. The Company has put in place adequate bandwidth for the broadcasting of the proceedings including back-up for any unforeseen circumstances.</p> <p>TNB has also leveraged on technology to facilitate shareholders' participation in the AGM remotely via live streaming and online voting via the Boardroom Lumi AGM. Shareholders/proxies were able to view the live streaming of the AGM proceedings, post questions and submit their votes in real-time whilst the meeting was in progress.</p> <p>All pertinent questions posed by shareholders and answered live were displayed on the broadcast screen and made visible to all participants during the meeting. Shareholders were provided ample time to pose their question to ensure meaningful engagement with the Board and Management.</p> <p>To encourage shareholder participation, the Administrative Notes for the 32nd AGM had provided guidance on the process for submitting questions to the Board of Directors prior to and during the AGM. Questions posed by shareholders, including those submitted by the Minority Shareholders Watch Group, were made visible to all meeting participants during the live stream of the meeting.</p> <p>Remote voting was conducted using the Remote Participation and Voting (RPV) facilities managed by our Share Registrar, Boardroom Share Registrars Sdn. Bhd. A presentation on the steps to cast the vote was shown during the meeting, in addition to the guidance in the Administrative Notes which was circulated prior to the meeting. Shareholders were allowed to submit their votes from the</p>

	commencement of the meeting at 10.00 a.m. until the Chairman declared the closure of the voting session at 12.45 p.m. The poll voting results were verified and confirmed by Boardroom Corporate Services Sdn. Bhd. as scrutineers, before the Chairman declared that all resolutions were carried.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 32 nd AGM held on 2 June 2022 detailing the meeting proceedings including the list of questions and answers provided during the AGM, was made available on TNB's website at www.tnb.com.my on 20 June 2022, within 30 business days after the AGM. An announcement was made to notify shareholders and stakeholders on the results of all the resolutions passed on the day of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

Click or tap here to enter text.

