

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5362
COMPANY NAME : TENAGA NASIONAL BERHAD
FINANCIAL YEAR : December 31, 2023

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 of governance 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 Sustainability and Risk Committee (BSRC)*, Board Long Term Incentive Plan Committee (BLTIP) and Board Integrity Committee (BIC).</p> <p>*The Board approved the renaming of the Board Risk Committee (BRC) to the Board Sustainability and Risk Committee (BSRC) effective from 25 August 2023.</p> <p>The Board is responsible for the oversight and overall management of the Company. This encompasses TNB's commitment towards Environmental, Social and Governance (ESG) which are now included as a measure within our performance targets by way of an ESG scorecard.</p>

In steering the sustainability agenda and realizing TNB Net Zero aspirations, a robust sustainability governance and steadfast leadership structure stand as imperative components. Aligned with the principles of the Malaysian Code on Corporate Governance 2021 (MCCG), TNB sustainability governance extends from TNB's Governance Model, forming a vital pillar of the Company's organisational ethos.

Emphasising the significance of a resilient sustainability governance framework, supported by effective leadership, we uphold these elements as indispensable for informed and comprehensive decision-making. Situated within the broader TNB Group Governance Platform, our sustainability governance seamlessly integrates with TNB's management committees and subcommittees, solidifying its role as a cornerstone of our corporate governance structure.

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 (CEO).

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

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

The Board assumes a critical role in overseeing the Company's strategic trajectory and sanctioning corporate strategic endeavours devised by the Management. Annually, the Board scrutinises the Company's strategic and business plan, including the proposed annual capital and revenue budget for the upcoming year, alongside the KPIs. This ensures that the KPIs align with the Company's annual strategic and business plan. The Board thoroughly evaluates and deliberates on the Management's perspectives and assumptions to ensure informed decisions are made, considering all relevant factors.

Additionally, an informal session known as the Board Breakout Session (BBO) serves as a platform for the Board and Management to exchange views and opinions, formulate strategic plans and address pertinent issues concerning the Group's direction and progress. Coordinated by the Company Secretary's Office, with input from respective Divisions, as required, the BBO facilitates strategic planning and progress reporting.

Throughout the Financial Year, the Board conducted three (3) BBOs, with a focus on TNB's ESG Strategy:

- i. On 13 February 2023: Deliberations on the Subsidiary Way Forward for TNB's Sustainability Agenda by the Strategy & Ventures Division, addressing TNB's subsidiaries in manufacturing, infrastructure, and services. Proposed

	<p>clustering of subsidiaries and strategic alignment were discussed.</p> <p>ii. On 25 July 2023: Presentation of the RT 2.0 strategy by the Strategy & Ventures Division, outlining TNB’s roadmap to become a leading provider of sustainable energy solutions by 2030.</p> <p>iii. On 3 November 2023: Further discussions on RT 2.0 strategy, focusing on key pillars and enablers supporting TNB’s aspiration.</p> <p>Following evaluations, the Board collectively affirmed its thorough review of the Company’s strategic and financial plans, including the monitoring of implementation and KPI alignment to achieve corporate objectives.</p> <p>More information on the Strategic Direction is available in From Our Leadership on pages 38 to 53 of the Integrated Annual Report 2023.</p> <p>ii. Identifying and managing principal risks affecting the Company</p> <p>The robust support from our Board Committees further showcases our dedication to sustainability. The renaming of the Board Risk Committee (BRC) to the Board Sustainability and Risk Committee (BSRC), effective 25 August 2023, signals our heightened emphasis on sustainability. Collaborating closely with the BSRC, the Board assumes responsibility for overseeing the strength of our sustainability and risk management frameworks, ensuring effective implementation to achieve strategic objectives and sustainability commitments.</p> <p>During the Financial Year under review, there were nine (9) BSRC sittings. The BSRC 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 BSRC’s and Management’s risk appetite.</p> <p>The BSRC 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.</p> <p>With the establishment of the Sustainability Division during the Financial Year, tasked with executing TNB’s ESG Sustainability Initiative Strategy, the RMD now reports directly to the BSRC, with administrative reporting to the Chief Sustainability Officer. This integration ensures alignment between risk management and sustainability efforts.</p>
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A significant event during the year was the TNB Top Management Risk Forum, organised by the RMD under the theme “Building TNB Resiliency through Effective Risk Management.” Attended by BSRC members, the Group Executive Management Committee, and Senior Management, the forum aimed to cascade BSRC’s risk management directives to TNB’s senior leadership, fostering a robust risk culture across the Group.

The BSRC remains committed in its oversight role, ensuring that risk management is seamlessly integrated into strategic planning and decision-making processes to drive 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 BSRC/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 2023.

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

The President/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 movement to the Board. This includes the departures of Datuk Rawisandran Narayanan who ceased office effective 18 May 2023, resignation of Datuk Amran Hafiz bin Affifudin as Non-Independent Non-Executive Director, representing Khazanah Nasional Berhad (Khazanah) with effect from 1 September 2023 as well as his Alternate Director, Elaine Ong Yee Lynn who ceased office on even date. In addition, Datin Rashidah binti Mohd Sies, a Non-Independent Non-Executive Director and Appointed Director of Minister of Finance Incorporated (MoF Inc.) resigned effective 12 January 2024, following her retirement from government services.

Several new additions were made to the Board duly appointed by BNRC/Board. Muazzam bin Mohamad was appointed as a Non-Independent Non-Executive Director, representing Permodalan Nasional Berhad (PNB) with effect from 1 July 2023. While Selvendran Katheerayson was appointed as Non-Independent Non-Executive Director who represents Khazanah, in place of Datuk Amran Hafiz bin Affifudin with effect from 1 September 2023. His Alternate Director, Elaine Ong Yee Lynn was appointed later effective 24 November 2023.

The Board on 27 February 2024 had approved the appointment of Ramzi bin Mansor with the concurrence of MoF Inc. as Non- Independent Non-Executive Director with effect from 1 March 2024. A recent addition to the Board was the appointment of Dato' Zulkifli bin Ibrahim as Independent Non-Executive Director effective 1 April 2024.

During the Financial Year under review, several movement 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. Muhamad Nazri bin Pazil was appointed as Managing Director, TNB Power Generation Sdn. Bhd. with effect from 1 July 2023 following the retirement of Dato' Nor Azman bin Mufti. He was the Managing Director of TNB Repair & Maintenance Sdn. Bhd.

In an effort to strengthen sustainability commitments by driving the implementation of ESG strategies as well as Energy Transition the Board established Sustainability Division and appointed Leo Pui Yong as Chief Sustainability Officer effective 1 June 2023. Prior to her current position, she was the Chief Risk Officer.

The Board at its meeting on 27 July 2023 had approved the appointment of Datuk Ir. Megat Jalaluddin bin Megat Hassan as Chief Operating Office (COO) with effect from 1 August 2023, whereas several Divisions shall report directly to him namely Strategy & Ventures Division, Regulatory & Stakeholder Management Division, Sustainability Division, Information & Communication Technology Division, Procurement & Supply Chain Division and TNB Global Business Solutions Division.

Subsequent to that upon the expiry of service tenure of Dato' Seri Ir. Baharin bin Din as President/CEO, Datuk Ir. Megat Jalaluddin bin Megat Hassan was appointed by MoF Inc., as President/CEO and Non-Independent Executive Director of TNB for a period of two (2) years with effect from 1 March 2024 until 29 February 2026. We believed his in-depth understanding of the Company's strategy and day to day operations as well as the industry will facilitate effective decision-making by the Board.

Ali Munawar bin Haji Salim was appointed as Company Secretary in place of Norazni binti Mohd Isa following her retirement with effect from 1 January 2024.

Ir. Mahathir Nor bin Ismail was appointed as Chief Distribution Network Officer with effect from 1 March 2024, replacing Wan Nazmy bin Wan Mahmood due to his retirement. He was the Managing Director of TNB Energy Services Sdn. Bhd. While Feldatun binti Sharif was appointed as Chief People Officer effective 1 April 2024 following the retirement of Wahizan bin Abd Rahman. She was Head, Operations of TNB Global Business Solutions Division.

Wit deep regret we report the demise of TNB's Chief Grid Officer, Ir. Dev Anandan M.S. Anandan on 24 December 2023. The Board of Directors expressed its gratitude and appreciation for the contribution given by the late Ir. Dev Anandan M.S. Anandan during his tenure as Chief Grid Officer.

Hasmarizal bin Hassan was appointed as Chief Grid Officer with effect from 16 April 2024, in place of the late Ir. Dev Anandan M.S. Anandan. He was the Head (Grid Development) of Grid Division.

These appointments were made after intensive deliberations and process as well as taking into account their qualifications, working experience, expertise, professionalism, knowledge of the Company and industry as well as assessment by independent expert.

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.

The BNRC annually evaluates the performance of the President/CEO and Top Management, whose remunerations are directly linked to their

	<p>respective KPIs. The President/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.</p> <p>Based on the evaluation for the Financial Year under review, the Board collectively concurred that the succession planning for President/CEO and Top Management as well as for the Company’s future leaders has been appropriately developed.</p> <p>The roles and responsibilities of the Board are stated in paragraph 2.1 of TNB Board Charter, which is available on the Company’s website at 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 1.2

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> <ol 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 President/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> <ol 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>Under the guidance of the Chairman, the Board engages in transparent discussions on all matters presented. Regular insights and counsel are sought from Senior Executives within the Group, as well as external advisers when necessary, facilitating the Board's decision-making process. Throughout the review period, the Board delved into a diverse array of topics, fulfilling its obligations with discussions spanning</p>

	<p>strategy, sustainability, and the operations of the Group, including its principal operating subsidiaries. Financial aspects, legal considerations, compliance, governance, and risk matters were also meticulously scrutinised.</p> <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 President/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>Dato' Abdul Razak bin Abdul Majid shall persist in providing leadership and guidance to ensure the effective operation of the Board, where he has the full support of all Directors in this endeavour. Details of Dato' Abdul Razak bin Abdul Majid is on page 120 of the Integrated Annual Report 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

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 positions of Chairman and President/CEO are held by two (2) different individuals.</p> <p>The roles of Chairman and the President/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 Chairman serves as the primary link between the Board and the Company. He is also responsible for fostering constructive relations between the President/CEO and the Non-Executive Directors to ensure effective and appropriate communication with the shareholders.</p> <p>The President/CEO of TNB manages the Company's operations and implementing Group strategies and policies as agreed by the Board. In addition, the President/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>Upon the expiry of service tenure of Dato' Seri Ir. Baharin bin Din as President/CEO, Datuk Ir. Megat Jalaluddin bin Megat Hassan was appointed by MoF Inc., as President/CEO and Non-Independent Executive Director of TNB for a period of two (2) years with effect from 1 March 2024 until 29 February 2026.</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 President/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	:	

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

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 or any other Board Committees.
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>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 applicable laws and regulation, respective Terms of Reference and best practices.</p> <p>Ali Munawar bin Haji Salim was appointed as Company Secretary with effect from 1 January 2024 in place of Norazni binti Mohd Isa.</p> <p>Ali Munawar bin Haji Salim brings more than 28 years' experience in corporate secretarial, compliance and corporate governance practice. He is a Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators, United Kingdom. He is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 (CA 2016). He is also registered with Companies Commission Malaysia under Section 241 of CA 2016.</p> <p>The breadth of the role of the Company Secretary includes but not limited to the following:</p> <ol style="list-style-type: none">i. manage all Board and Board Committees meeting logistics, attend and record minutes of all Board and Committees meetings and facilitate Board communications;ii. advise the Board on its roles and responsibilities;iii. facilitate the orientation of new Directors and assist in Directors training and development;iv. advise the Board on corporate disclosures and compliance with Company and securities regulations and listing requirements;v. manage processes pertaining to the general meetings;vi. monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; andvii. serve as a focal point for stakeholders' communication and engagement on corporate governance issues. <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>

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.

The Company Secretary will facilitate to update the Board on the progress of its decisions and recommendations by the Management. Action items would stay as matters arising in the minutes of meetings until they are resolved.

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 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's communications in order to meet the Board's needs and stakeholders' expectations.

The Company Secretary assists the Board Continuing Development programme by facilitating the orientation of new Directors through co-ordinating induction programmes as well as arranging internal and external training 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.

As a matter of practice, induction/onboarding sessions are arranged jointly by the Company Secretary's Office and the respective Top Management to better assist the Directors in understanding the Company's core businesses and its whole operation.

	<p>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.</p> <p>The Company Secretary constantly keeps abreast of the regulatory changes, developments in corporate governance and evolving market environment through attendances at relevant conferences, training programmes and networking. Relevant updates are communicated to the Board and Management through in-house/external training programmes and briefings.</p> <p>The profile and the list of training attended by Company Secretary are provided on pages 142 and 159 respectively, of the Integrated Annual Report 2023.</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>	
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 1.6

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, President/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 relevant regulations and corporate governance practices namely Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), Corporate Disclosure Guidance, the MCGG and the CA 2016.</p> <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</p>

	external advisers at meetings and seeking required information from within 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> <ol style="list-style-type: none">i. The division of responsibilities between the Chairman and President/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>As of 14 December 2023, the Board Charter is updated to reflect the respective Board Committees' Terms of Reference review. The Board Charter is available on TNB's website at https://www.tnb.com.my/listings/corporate_governance/</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 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><u>Code of Ethics for Directors</u></p> <p>TNB Board is guided by 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 equipped with the Non-Executive Directors' Handbook, serving as a reference for their professional responsibilities and the terms and conditions of their service. This handbook undergoes regular updates to reflect changes in applicable rules, regulations, and policies governing Directors' conduct.</p> <p><u>Code of Business Ethics (COBE)</u></p> <p>TNB has developed the new Code of Business Ethics (COBE) to govern the conduct of all Directors and employees which take effect on 25 August 2023. This code ensures adherence to laws and regulations, promotes sound employment practices, upholds confidentiality and privacy, and addresses matters such as conflicts of interest, business courtesies, and the proper use of TNB's assets. It also outlines how TNB engages with its shareholders, employees, customers, suppliers, and the communities in which it operates, emphasizing general principles of business integrity. All employees are expected to conduct business in accordance with applicable laws and regulations, contributing to the enhancement and protection of TNB's reputation.</p> <p><u>TNB Procurement Code of Conduct</u></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</p>

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.

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.

Conflicts of Interest (COI)

In upholding principles of ethical and independent decision-making and the enhancement to the existing Conflict of Interest (COI) disclosures as required by the MMLR, the Directors and Top Management are required to disclose on the nature and extent of any COI or potential COI, including interest in any competing business that the person has with TNB and its subsidiaries.

Directors or Top Management with such interests are required to declare them immediately and at the respective meetings to be abstained from participating in the deliberations, in ensuring impartial decision-making. Mitigation actions shall be taken upon any declaration of COI by the Directors or Top Management, with the concurrence of the President/CEO/Chairman/Senior Independent Director.

In addition, TNB Directors, Top Management and its Boards of Subsidiaries are required to make COI declaration annually and on ad hoc basis. Currently the Integrity Department, Company Secretary's Office, Legal Services Department and Internal Audit Department are jointly developing the COI guidelines/framework in ensuring it fulfils the enhancement to the existing COI disclosures as prescribed by the MMLR.

To inculcate good governance throughout the Company all employees are required to sign the integrity pledge, declare any conflicts of interest annually and specifically when a conflict arises via Employee Self-Service System (ESS).

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 Business Ethics and TNB Corporate Integrity Management System (TCIMS) Handbook in order to facilitate the discharge of their duties.

Integrity Pacts and Integrity Pledges

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.

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 COI statement. All members of the committee who are present must sign their Pledges at the start of the meeting.

As practice by the Procurement & Supply Chain Division in collaboration with the Integrity Department, each Director shall sign an Integrity Pledge during every BTC/Board meeting. This commitment entails a declaration of any interests related to procurement or matters on the meeting agenda, underscoring the Company's dedication to preventing corruption, mitigating conflicts of interest, and safeguarding the confidentiality of information.

Anti Bribery Policy

TNB is resolute in articulating its position on bribery and related matters, establishing essential pillars within its framework to fortify the Company against any manifestation of bribery. All forms of bribery related to TNB's activities are unequivocally prohibited. Upholding integrity is a collective responsibility that extends across all levels of personnel.

Guided by a stringent 'No Gifts' policy, TNB emphasises integrity through the regular signing of Integrity Pledges and the declaration of conflicts of interest by personnel. While certain exceptions may exist, TNB ensures that these policies are consistently adhered to. Prudent management of business associates acting on behalf of the Company further enhances TNB's commitment to ethical conduct.

The reporting of misconduct by personnel or third parties is not only encouraged but expected, with robust protection in place for those acting in good faith as whistleblowers. Enforcing its position on ethical standards, TNB entrusts the Integrity Department with the responsibility of upholding and reinforcing these principles.

The TCIMS undergoes periodic assessments and updates to ensure its continued effectiveness in upholding the Company's commitment to

ethical business practices. This proactive approach reflects TNB's dedication to maintaining the highest standards of integrity in its operations.

In 2017, TNB was one of the first listed corporation to embark on the ISO 37001:2016 Anti Bribery Management System (ABMS) certification.

TNB has conducted the Integrity Health Survey in 2023 through UNITEN R&D Sdn. Bhd. where 25,680 staff have participated and based on the survey TNB received a 87.16% score as opposed 79.36% in 2022. TNB has also established a systematic approach through the Annual Training and Communication Plan (TCP) for the areas of improvement identified through the Integrity Health Survey conducted in 2022.

In 2023, all activities under the TCP were successfully completed including Seminar for Boards and Top Management. A series of trainings and awareness sessions were conducted by Integrity Department to better equip the Company in line with the implementation of Section 17A of the MACC Act 2009. These included the following :

- TNB Integrity Day 2023
- Related programs to Divisions/Departments and Subsidiaries
- Five (5) sessions of Fraud and Bribery Risk Management workshop
- All staff and active vendors/contractors were required to complete Integrity E-Learning
- All staff are required to sign the integrity pledge and declare any conflicts of interest annually
- Joint integrity programs with MACC
- Published 12 Integrity bulletins and e-poster

In 2022, TNB signed a Memorandum of Understanding (MoU) with the Malaysian Anti-Corruption Commission (MACC) and signed the Corruption Free Pledge. This pledge emphasises the pledges and promises made by the leadership of TNB and its staff voluntarily in their capacity as an organisation to ensure that each of us will be more responsible in carrying out our duties and curbing corruption.

The Organisational Anti-Corruption Plan (OACP) of TNB received approval from the Board Integrity Committee (BIC) on 7 August 2023. Serving as a foundational document, this plan outlines a comprehensive strategy aimed at mitigating governance challenges and fortifying integrity within the Company. By proactively addressing potential corruption risks and promoting ethical conduct among employees, the plan seeks to uphold TNB's commitment to governance excellence.

TNB's COBE, Procurement Code of Conduct, TCIMS Handbook, OACP, Anti Bribery Policy, and other relevant policies are available at their respective sections on TNB's website: <https://www.tnb.com.my/ethics-governance/>.

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 underscores TNB's commitment to fostering an open working environment, where employees, contractors, and members of the public can confidentially report instances of unethical, unlawful, or undesirable conduct without fear of intimidation or reprisal. An independent investigation team examines all reported concerns and, where applicable, offers feedback on the outcome of the investigation.</p> <p>The objectives of the Whistleblowing Procedure are threefold :</p> <ol style="list-style-type: none"> i. to identify and address unacceptable conduct; ii. to cultivate a supportive working environment that empowers employees and contractors to raise legitimate concerns with both personal and organizational implications; iii. to safeguard individuals who, in good faith, report unacceptable conduct from any adverse consequences. <p>Reporting channels are made easily accessible through the Online Whistleblowing Information System (WBIS) at http://wbis.tnb.com.my. Alternatively, reports can be submitted via email to the designated officers using the Whistleblowing Complaint Form, available in both Malay and English.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">NAME</th> <th style="text-align: center;">DESIGNATION</th> <th style="text-align: center;">E-MAIL ADDRESS</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Ong Ai Lin</td> <td style="text-align: center;">Senior Independent Non-Executive Director</td> <td style="text-align: center;">ongailin.integrity@tnb.com.my</td> </tr> <tr> <td style="text-align: center;">Kalivann Palanivelu</td> <td style="text-align: center;">Chief Integrity Development Officer</td> <td style="text-align: center;">kalivann.integrity@tnb.com.my</td> </tr> <tr> <td style="text-align: center;">Hasbah binti Hasbullah</td> <td style="text-align: center;">Senior Manager (Financial Integrity)</td> <td style="text-align: center;">hasbahh.integrity@tnb.com.my</td> </tr> </tbody> </table> <p>Whistleblowing toll free number : 1-800-888-862</p> <p>The Whistle Blowing Policy is available on TNB's website: https://www.tnb.com.my/ethics-governance/whistle-blowing/</p>	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 (Financial Integrity)	hasbahh.integrity@tnb.com.my
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Hasbah binti Hasbullah	Senior Manager (Financial Integrity)	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>The TNB Sustainability Governance Structure is in place to facilitate oversight, strategic management, and implementation of sustainability strategies and initiatives at all levels.</p> <ol style="list-style-type: none">1. TNB Board of Directors approves the TNB Sustainability Pathway and strategies while overseeing its implementation and performance.2. The BSRC assists the Board of Directors in fulfilling its responsibilities by overseeing the robustness and implementation effectiveness of the Group's sustainability and risk management frameworks for the achievement of strategic objectives and sustainability commitments.3. Group Executive Management Committee reviews and endorses sustainability strategies and targets and makes informed decisions that are aligned to corporate strategy.4. Sustainability & Energy Transition Council (SETC) deliberates sustainability and energy transition strategies, initiatives and deployment outcomes that are supported by data. These outcomes are input in the formulation and revision of corporate strategy & sustainability targets, and for informed decision-making at business entities. The SETC ensures that the Group's sustainability strategies, initiatives and performance are disclosed in a balanced, transparent and credible manner that meets stakeholders' needs and expectations.5. Sustainability Division facilitates sustainability governance, ensures systematic compliance, credible assurance and balanced sustainability disclosures. Lead by the Chief Sustainability Officer, it orchestrates the execution of sustainability initiatives, establishes impactful content and support digitalisation of sustainability indicators at scale.6. Business Entities identify and implement sustainability and energy transition initiatives, supported by data, to advance the

	<p>achievement of sustainability strategies and ESG goals as well as managing related risks and opportunities.</p> <p>A key development to strengthen the TNB Sustainability Governance Structure is the formation of the BSRC with effect from 25 August 2023. Our Board of Directors continues to demonstrate its commitment towards our sustainability agenda by expanding the oversight scope of the TNB BRC to include sustainability; with that, the BRC had been renamed to BSRC with enhanced Terms of Reference. The BSRC remains dedicated to overseeing the effective implementation of sustainability initiatives with robust risk management to address exposures and harness opportunities and to ensure strategic integration of sustainability into operations and decision-making.</p> <p>To further enhance the deployment of our sustainability strategies, the Board of Directors approved the formation of the Sustainability Division, which is led by our first Chief Sustainability Officer since June 2023. The main function of the Sustainability Division is to ensure effective deployment of our sustainability strategies to meet targets and to strengthen sustainability governance across the Group. The division engages, facilitates and advises the Business Entities on its day-to-day implementation of sustainability and energy transition initiatives.</p> <p>The SETC, led by the President/CEO, continues to play its role in steering the development of sustainability and energy transition strategies and policies, and its implementation as well as providing oversight and input on opportunities and risk exposures.</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 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>The SETC, led by the President/CEO, steers the development of sustainability and energy transition strategies and policies of the Company, and its implementation as well as providing oversight and input on opportunities and risk exposures. The key functions of the SETC are:</p> <ul style="list-style-type: none"> • Define sustainability targets and commitments that align and support the overarching TNB business strategy. • Shape energy transition outcomes that foster growth and create value, and proactively address sustainability challenges, including climate-related risks. • Deliberate prioritised initiatives based on the TNB Materiality Matrix and Sustainability Deployment Blueprint and endorse the allocation and utilisation of resources. • Steer sustainability performance and progress against target. • Streamline data governance for timely and balanced sustainability disclosure. • Oversee stakeholder management and engagement that meets stakeholders’ needs and expectations. <p>Sustainability-linked KPIs are embedded within the Board’s and senior management’s performance evaluation scorecard to drive group-wide accountability in steering our sustainability performance. These KPIs are further cascaded to all levels of the Company.</p> <p>The TNB Sustainability Statement approved by the Board is published in the TNB Integrated Annual Report, in compliance with the Bursa Malaysia sustainability reporting requirements and guide. Additionally, TNB Sustainability Report that provides further details of the strategies, priorities and performance, is published separately and uploaded to the Company’s official website at www.tnb.com.my as publicly available information.</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 4.3

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>In August 2021, TNB announced its Sustainability Pathway 2050, where we aspire to achieve net zero emissions by 2050. This aspiration is underpinned by a commitment to reduce 35% of emissions intensity as well as 50% reduction of coal generation capacity by 2035. At the core of this pathway is future proofing TNB's businesses, as it is critical to balance this transition with financial sustainability of the Company and ensure that shareholders' value continues to be well-protected. TNB Management continues to be committed to the Reimagining TNB (RT) strategy as part of our Energy Transition journey to deliver the intended RT outcomes and Net Zero 2050 aspiration.</p> <p>Our TNB Energy Transition (ET) Plan provides framing to the TNB Sustainability Pathway initiatives to capture the opportunities and overcoming the challenges through three (3) strategic pillars and key enablers. Our ET initiatives that span across the entire electricity value chain, such as transitioning to cleaner power generation, improving the Grid of the Future to support more green solutions and promoting consumer engagement in the energy transition through electric vehicle adoption, aim to boost the growth and sustainability of TNB operations and support future economic growth in Malaysia.</p> <p>We recognise the impact on climate change that we contribute, as well the threats of climate change to our existing infrastructure and operational resiliency. Since 2019, TNB has voluntarily adopted the Task Force on Climate-Related Financial Disclosures (TCFD) framework to address potential climate-related physical and transition risks and opportunities on our business strategy and financial position.</p> <p>We have identified ESG matters that are material to the Company, and these material ESG matters are assessed, reviewed and approved by the Board. Strategies and initiatives in relation to these material matters are implemented and monitored to meet our sustainability goals and targets. Further details are disclosed through the Sustainability Statement in the TNB Integrated Annual Report and the TNB Sustainability Report.</p>

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

Intended Outcome

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>Sustainability-linked KPIs are embedded within the Board's and senior management's performance evaluation scorecard to drive group-wide accountability in steering our sustainability performance. These KPIs are further cascaded to all levels of the Company.</p> <p>TNB's performance management cycle forms part of the TNB Strategic Planning and Performance Management (SPPM) framework that integrates the annual operating plan, budget and performance. KPIs and targets are aligned with strategic objectives and focus (inclusive of sustainability-related objectives) for the year. Accordingly, KPIs are identified to measure achievement of these strategic objectives. The progress of KPIs execution is tracked and reviewed throughout the year with performance achievement evaluated after the financial year end.</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 renewable energy capacity, are tied to the President/CEO and Top Management KPI.</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 4.5- 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.

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.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board of Directors approved the appointment of Chief Sustainability Officer with effect from 1 June 2023.</p> <p>The Chief Sustainability Officer leads the Sustainability Division, with its objective to ensure effective deployment of our sustainability strategies to meet targets and to strengthen sustainability governance across the Group. The Division engages, facilitates and advises the Business Entities on its day-to-day implementation of sustainability and energy transition initiatives.</p> <p>The Chief Sustainability Officer is a member of the Group Executive Management Committee that reviews and endorses sustainability strategies and targets and makes informed decisions that are aligned to corporate strategy.</p> <p>The Chief Sustainability Officer coordinates as well as tables to the BSRC proposals or information papers for BSRC deliberation and decision-making in meeting the BSRC's Terms of Reference.</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. This evaluation encompasses a range of factors, including diversity, skillsets, backgrounds, relevant experience and fit and proper assessment, ensuring a well-rounded composition of Board members.</p> <p>The TNB Board of Directors' Fit and Proper Policy outlines the criteria for appointing and re-appointing Directors within TNB and its affiliated companies. This policy is structured around three (3) key pillars: character and integrity, experience and competence, and time and commitment. It is readily accessible on the Company's official website at www.tnb.com.my.</p> <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>Ong Ai Lin and Dato' Roslina binti Zainal 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.</p> <p>Based on the annual independence assessment undertaken by both Ong Ai Lin and Dato' Roslina binti Zainal who are retiring at the coming</p>

AGM, 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.

They have exercised the duty of care and diligence as Directors in the best interest of the Company, its shareholders and stakeholders. Through the Board Evaluation Assessment including Self and Peer Assessment, they have met the performance criteria required of an effective and high-performance Board.

In respect of the new appointments made to the Board during the Financial Year, Selvendran Katheerayson, Muazzam bin Mohamad, Datuk Ir. Megat Jalaluddin bin Megat Hassan, Ramzi bin Mansor and Dato' Zulkifli bin Ibrahim 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.

Datuk Ir. Megat Jalaluddin bin Megat Hassan is an Appointed Director by MoF Inc. while Selvendran Katheerayson and Muazzam bin Mohamad represent Khazanah and PNB respectively.

In addition, all retiring Directors have declared that they did not have any existing or potential conflict of interest including any interest in any competing business within the Company or its subsidiaries that could affect the execution of their roles as Company Directors.

Having considered their fit and proper assessment including declaration of conflict of interest, 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 34th AGM have met the Board's expectation by continuously discharging their duties diligently as Company Directors.

Acknowledging the transformative potential of an objective and well-managed board evaluation process, the Board acknowledges its pivotal role in enhancing Board effectiveness, thereby delivering substantial benefits to the Company. This commitment is manifested through annual performance evaluations, thoughtfully designed induction programs for new Board members, and a continuous stream of Board development activities.

In 2023, the Board with the assistance of BNRC, had engaged an Independent Expert for Board Evaluation Assessment (BEA) FY2023 to facilitate objective and candid board evaluations. The 2023 BEA was conducted through questionnaires via Online Survey System. The questionnaires for the 2023 BEA comprised the Board, Board Committees Effectiveness Assessment, Directors and Board Committee members' Self and Peer Assessment (SPA), as well as a 360 Degree

	<p>Assessment by Top Management. In addition, the newly Appointed Directors also had completed online Saville Wave Assessments to understand their respective and collective stewardship styles and one-on-one online/physical interview sessions with all Directors.</p> <p>Based on the 2023 BEA results, the Board demonstrated solid performance with an overall rating of 4.3 across various effectiveness indicators, including Corporate Strategy & Direction Setting, Board Governance & Oversight, Board Composition, Boardroom Conduct & Dynamics, and Board Management & Operations. Peer assessments further underscored the Directors' performance with a notable average score of 4.6, indicating that each Director was generally effective in dispensing his/her responsibilities.</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 34th AGM.</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 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>At the issuance of this CG Report, TNB Board consists of 12 members, excluding Alternate Director, of which 50% are Independent Directors.</p> <p>Nonetheless , the Board complies with Paragraph 15.2 (1) of the MMLR of having 50% of Independent Directors on Board, of which the number exceeds the minimum requirement as prescribed by the MMLR.</p> <p>The Board believed the existing Board members have discharged their duties and responsibilities diligently, including the Non-Independent Non-Executive Directors namely Rohaya binti Mohammad Yusof, Muazzam bin Mohamad and Selvendran Katheerayson that have brought added value to the Board dynamics. Their expertise, knowledge and skill sets have been instrumental to effective and informed Board decisions.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board acknowledges the importance of best practice regarding having a majority Independent Directors on board. Nonetheless, the Board had at all times exercise their powers for proper purpose and in good faith in the best interest of the Company.
Timeframe	:	Choose an item.

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 and conducted a thorough examination of the independence of each Independent Non-Executive Director. Throughout the year, none of the Independent Non-Executive Directors had any material business or other relationships with the Group, and no other factors were identified that could compromise their independence of character and judgement, as guided by the MMLR and adhering to the principles outlined in the MCCG.</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	: The Board adopts the policy which limits the tenure of its Independent Non-Executive Directors to nine (9) years without further extension. As of to date, 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 on page 119 and the Board of Directors' Profile on pages 120 to 132 of the Integrated Annual Report 2023.

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 fit and proper assessment, skills, experience, competency and wealth of knowledge while taking into consideration gender diversity.</p> <p>The Board and BNRC continuously undertake thorough reviews of the Board Skills Matrix. This assessment aids in identifying the necessary skills, knowledge, experience and capabilities essential for addressing current and future challenges within the Company. It aims to maintain a well-rounded mix of expertise to effectively tackle business compliance and governance matters, thereby enabling Directors to conduct comprehensive evaluations of Management's performance.</p> <p>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.</p>

At the issuance of this CG Report, the Board Skills and Experience Matrix, excluding Alternate Director are as follows:-



The Board remains deeply committed to promoting diversity within the Company’s senior management. It conducts annual reviews to evaluate recommendations on diversity for these crucial roles. Recognising the continuous need for advancement, this commitment extends beyond the Board level to include the Senior Leadership tier.

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.

At the issuance of this CG report, there are five (5) women on Board excluding Alternate Director, namely Rohaya binti Mohammad Yusof, Ong Ai Lin, Juniwati Rahmat Hussin, Dato’ Roslina binti Zainal and Dato’ Merina binti Abu Tahir, representing 42% of the Board. These women Directors hold significant positions on the Board and its Committees whereby Rohaya binti Mohammad Yusof is the Chairman of FIC, Ong Ai Lin is TNB Senior Independent Non-Executive Director and Chairman of BSRC, Dato’ Merina binti Abu Tahir is the Chairman of BAC, Dato’ Roslina binti Zainal is the Chairman of BNRC and Juniwati Rahmat Hussin is the Chairman of BIC.

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 President/CEO and alternate director):							
	RACE/ETHNICITY			AGE GROUP			GENDER	
	Bumiputera	Chinese	Indian	Below 50 years	50 to 60 years	Above 60 years	Male	Female
	8	1	2	1	4	6	6	5
	The Top Management (including President/CEO):							
	RACE/ETHNICITY			AGE GROUP			GENDER	
	Bumiputera	Chinese	Indian	Below 50 years	50 to 60 years	Above 60 years	Male	Female
	13	1	-	3	10	1	12	2
	<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 120 to 142 of the Integrated Annual Report 2023.</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 5.6

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 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>Pursuant to Clause 20(2) of the Company's Constitution, the MoF Inc., being the Special Shareholder of TNB, possesses the right to appoint up to six (6) Directors. Clause 63(2) provides the Board may appoint a new Director either to fill a casual vacancy or to add to the existing Directors but not at any time exceed the maximum numbers set in the Constitution. The Company's Constitution provides that the Company must have at least two (2) Directors but not more than 12 Directors.</p> <p>The Company's Constitution further provides that the Special Shareholder has the right to appoint the Chairman of the Board and the Executive Director.</p> <p>The BNRC may recommend to the Board to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever deemed necessary.</p> <p>Currently, candidates are primarily identified through recommendations by the Special and Major Shareholders of the Company. If needed, the BNRC may also utilise independent sources such as recruitment agencies, industry contacts, principal/partner networks to identify suitable candidates.</p> <p>As at the date of this report, there are 12 members on the Board excluding Alternate Director; one (1) Executive Director and 11 Non-Executive Directors, six (6) of whom are Independent Directors.</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.

In the course of the Financial Year, Muazzam bin Mohamad assumed the role of Non-Independent Non-Executive Director, representing PNB, a major shareholder of TNB, effective 1 July 2023. With over 15 years of experience at PNB, Muazzam has spearheaded numerous initiatives in corporate finance, mergers and acquisitions and corporate strategy, emphasising sustainability and governance. His appointment underscores our commitment to responsible investment practices.

Shortly thereafter, Datuk Amran Hafiz bin Affifudin resigned as Non-Independent Non-Executive Director, representing Khazanah, a major shareholder of TNB, effective 1 September 2023. Concurrently, Elaine Ong Yee Lynn concluded her role as Alternate Director to Datuk Amran Hafiz bin Affifudin, as stipulated in Clause 61(2) of the Company's Constitution. Selvendran Katheerayson was subsequently appointed as Non-Independent Non-Executive Director, representing Khazanah, effective 1 September 2023.

Selvendran brings a wealth of experience from his tenure as Executive Director, Head of Real Assets & Property at Khazanah. His appointment reflects our commitment to strengthening governance and maximizing shareholder value. Elaine Ong Yee Lynn was reappointed as Alternate Director to Selvendran Katheerayson with effect from 24 November 2023.

Furthermore, upon the conclusion of Dato' Seri Ir. Baharin bin Din's service tenure as President/Chief Executive Officer (President/CEO), Datuk Ir. Megat Jalaluddin bin Megat Hassan was appointed by the Board with the concurrence of MoF Inc. as President/CEO and Non-Independent Executive Director of TNB for a two-year term, effective 1 March 2024. Datuk Ir. Megat Jalaluddin brings extensive experience and industry knowledge, having served in various leadership capacities within TNB.

The Board on 27 February 2024 had approved the appointment of Ramzi bin Mansor who is the Deputy Secretary General of Treasury (Management) in the Ministry of Finance as Non-Independent Non-Executive Director representing the interest of MoF Inc. with effect from 1 March 2024. He was appointed in place of Datin Rashidah binti Mohd Sies, who had resigned effective 12 January 2024, due to her retirement in public services.

A recent addition to the Board is the appointment of Dato' Zulkifli bin Ibrahim as Independent Non-Executive Director with effect from 1 April 2024. He possesses technical expertise and experience in generation operation and maintenance, that would fill up the gap identified through the Board Skills Matrix.

	<p>Following the BNRC’s recommendation, the Board approved measures to enhance the Board’s composition for greater dynamism. Addressing critical skills and competency gaps, such as technical proficiency, international business acumen and customer-centricity, remains a priority. All Directors appointed during the Financial Year under review possess the requisite skills, aligning with the strategic needs of the Company.</p> <p>By having a balanced blend of skills, experience, knowledge and independence, the Board is confident in its ability to execute the Group’s strategy effectively. This balance empowers the Non-Executive Directors to rigorously challenge Management’s perspectives and proposals while ensuring compliance with the principle of good governance.</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 5.7

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>Ong Ai Lin and Dato' Roslina binti Zainal 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 were assessed by the BNRC before any recommendation was made to the Board for deliberation and approval.</p> <p>Based on the annual independence assessment undertaken by both Ong Ai Lin and Dato' Roslina binti Zainal who are retiring at the coming AGM, 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. Through the Board Evaluation Assessment including Self and Peer Assessment, they have met the performance criteria required of an effective and high-performance Board.</p>

In respect of the new appointments made to the Board during the Financial Year, Selvendran Katheerayson, Muazzam bin Mohamad, Datuk Ir. Megat Jalaluddin bin Megat Hassan, Ramzi bin Mansor and Dato' Zulkifli bin Ibrahim 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.

Datuk Ir. Megat Jalaluddin bin Megat Hassan and Ramzi bin Mansor are Appointed Directors of MoF Inc. while Selvendran Katheerayson and Muazzam bin Mohamad represent Khazanah and PNB respectively.

In addition, all retiring Directors have declared that they did not have any existing or potential conflict of interest including any interest in any competing business within the Company or its subsidiaries that could affect the execution of their roles as Company Directors.

Having considered their fit and proper assessment including declaration of conflict of interest, 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 34th AGM have met the Board's expectation by continuously discharging their duties diligently as Company Directors.

Acknowledging the transformative potential of an objective and well-managed board evaluation process, the Board acknowledges its pivotal role in enhancing Board effectiveness, thereby delivering substantial benefits to the Company. This commitment is manifested through annual performance evaluations, thoughtfully designed induction programs for new Board members, and a continuous stream of Board development activities.

In 2023, the Board with the assistance of BNRC, had engaged an Independent Expert for Board Evaluation Assessment (BEA) FY2023 to facilitate objective and candid board evaluations. The 2023 BEA was conducted through questionnaires via Online Survey System. The questionnaires for the 2023 BEA comprised the Board, Board Committees Effectiveness Assessment, Directors and Board Committee members' Self and Peer Assessment (SPA), as well as a 360 Degree Assessment by Top Management. In addition, the newly Appointed Directors also had completed online Saville Wave Assessments to understand their respective and collective stewardship styles and one-on-one online/physical interview sessions with all Directors.

Based on the 2023 BEA results, the Board demonstrated solid performance with an overall rating of 4.3 across various effectiveness indicators, including Corporate Strategy & Direction Setting, Board Governance & Oversight, Board Composition, Boardroom Conduct & Dynamics, and Board Management & Operations. Peer assessments further underscored the Directors' performance with a notable average

	<p>score of 4.6, indicating that each Director was generally effective in dispensing his/her responsibilities.</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 34th AGM.</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 5.8

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 four (4) members of whom are, Dato' Merina binti Abu Tahir, Gopala Krishnan K.Sundaram, Muazzam bin Mohamad and Ramzi bin Mansor.	
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>At the issuance of this CG report, the representation of women on the Board stands at five (5) members, constituting 42%, surpassing the 30% benchmark recommended by the MCCG.</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 5.10

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 remains deeply committed to promoting diversity within the Company's senior management. It conducts annual reviews to evaluate recommendations on diversity for these crucial roles. Recognising the continuous need for advancement, this commitment extends beyond the Board level to include the Senior Leadership tier.</p> <p>Presently, the representation of women on the Board stands at five (5) members, constituting 42%, surpassing the 30% benchmark recommended by the MCCG. However, within the broader organisation, women comprise 21% of the workforce. Gender balance varies across roles, geographies, and bands with female representation within our leadership stands at 26%.</p> <p>The table below shows the gender diversity split on the Board and Senior Management in the wider workforce:</p> <table border="1"> <thead> <tr> <th rowspan="2">Gender</th> <th colspan="2">Male</th> <th colspan="2">Female</th> <th>Total</th> </tr> <tr> <th>No.</th> <th>%</th> <th>No.</th> <th>%</th> <th>No.</th> </tr> </thead> <tbody> <tr> <td>TNB Board (excluding Alternate Director)</td> <td>7</td> <td>58%</td> <td>5</td> <td>42%</td> <td>12</td> </tr> <tr> <td>Top Management (comprising GEMC, C-Suite, Senior General Managers)</td> <td>276</td> <td>73.8%</td> <td>98</td> <td>26.2%</td> <td>374</td> </tr> <tr> <td>Senior Managers</td> <td>613</td> <td>64.19%</td> <td>342</td> <td>35.81%</td> <td>955</td> </tr> <tr> <td>Managers</td> <td>1,382</td> <td>59.54%</td> <td>939</td> <td>40.46%</td> <td>2,321</td> </tr> <tr> <td>Executives</td> <td>1,671</td> <td>57.17%</td> <td>1,252</td> <td>42.83%</td> <td>2,923</td> </tr> <tr> <td>Non-Executives</td> <td>17,099</td> <td>85.35%</td> <td>2,935</td> <td>14.65%</td> <td>20,034</td> </tr> <tr> <td>Total</td> <td>21,048</td> <td>79.07%</td> <td>5,571</td> <td>20.93%</td> <td>26,619</td> </tr> </tbody> </table> <p>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.</p>	Gender	Male		Female		Total	No.	%	No.	%	No.	TNB Board (excluding Alternate Director)	7	58%	5	42%	12	Top Management (comprising GEMC, C-Suite, Senior General Managers)	276	73.8%	98	26.2%	374	Senior Managers	613	64.19%	342	35.81%	955	Managers	1,382	59.54%	939	40.46%	2,321	Executives	1,671	57.17%	1,252	42.83%	2,923	Non-Executives	17,099	85.35%	2,935	14.65%	20,034	Total	21,048	79.07%	5,571	20.93%	26,619
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Measure	:																																																						

Timeframe	:		
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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>Acknowledging the transformative potential of an objective and well-managed board evaluation process, the Board acknowledges its pivotal role in enhancing Board effectiveness, thereby delivering substantial benefits to the Company. This commitment is manifested through annual performance evaluations, thoughtfully designed induction programs for new Board members and a continuous stream of Board development activities.</p> <p>In 2023, the Board with the assistance of BNRC, had engaged an Independent Expert for Board Evaluation Assessment (BEA) FY2023 in support of Practice 6.1 of MCGG whereby for Large Companies, the Board engages independent expert at least every three (3) years, to facilitate objective and candid board evaluations. The last assessment carried out by the independent expert was in 2021. This strategic approach aims to facilitate impartial and candid Board evaluations, fostering a culture of transparency and accountability within the organisation.</p> <p>The 2023 BEA included, but not limited to the following areas:</p> <ul style="list-style-type: none">• Board leadership and roles;• Board composition, skills and development;• Board governance and processes;• Board dynamics and culture;• Board and Management relationship/Stakeholders' engagement;• Board & support functions. <p>The 2023 BEA was conducted through questionnaires via Online Survey System. The questionnaires for the 2023 BEA comprised the Board, Board Committees Effectiveness Assessment, Directors and Board Committee members' Self and Peer Assessment (SPA), as well as a 360 Degree Assessment by Top Management. In addition, the newly</p>

	<p>Appointed Directors also had completed online Saville Wave Assessments to understand their respective and collective stewardship styles and one-on-one online/physical interview sessions were conducted with all Directors.</p> <p>The overall effectiveness of the Board is assessed in the areas of Corporate Strategy and Direction Setting, Board Governance and Oversight, Board Composition, Boardroom Conduct and Dynamics, Board Management and Operation as well as its Key Priorities as well as the effectiveness of the Chairman.</p> <p>The assessment of individual Directors' contribution and performance is conducted based on performance criteria of which among others are as follows:</p> <ul style="list-style-type: none"> 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 and properness; viii. independence and objectivity; ix. skills and competencies; and x. contribution and performance. <p>The BEA also included the evaluation of dynamics and culture of the Board especially new Directors' impact to the overall leadership and risk profile balance. The effectiveness of Board Committees is assessed in terms of structure and processes, accountabilities and responsibilities, and its dynamic/composition as well as the effectiveness of the Chairmen of 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.</p> <p>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.</p> <p>The feedback from the Top Management was also being sought via the 360 Degree Assessment questionnaires. The Management's feedback</p>
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	<p>on the Board’s role, and the extent of collaboration between the Board and Management in certain focus areas and in the review/ decision-making process are useful for the Board’s consideration in enhancing its overall effectiveness.</p> <p>Based on the 2023 BEA results, the Board demonstrated solid performance with an overall rating of 4.3 across various effectiveness indicators, including Corporate Strategy & Direction Setting, Board Governance & Oversight, Board Composition, Boardroom Conduct & Dynamics, and Board Management & Operations. Peer assessments further underscored the Directors’ performance with a notable average score of 4.6, indicating that each Director was generally effective in dispensing his/her responsibilities.</p> <p>Building upon the insights from the 2022 BEA, the Board continued to showcase strong and effective leadership in 2023. It was highlighted by both the Board and Management that there was a clear distinction of roles and responsibilities of the Chairman and President/CEO, signalling robust and effective leadership in guiding the Company’s direction. Dato’ Abdul Razak bin Abdul Majid was rated as a highly effective Chairman demonstrating decisiveness and an action-oriented approach while creating an open and consultative environment within the Board and effectively delegating responsibilities to Directors, Board Committees and Management.</p> <p>The Board was seen to be effective in ensuring the integrity of the Company is aligned with regulatory requirements, internal standards, and best practices. The Board was committed to its fiduciary duties and assumed 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>Moving forward, the Board recognises the need to establish a clear and well-defined succession plan for both the Board and Top Management, ensuring that the composition, structure and diversity is in line with TNB’s strategic direction. Additionally, the Board recognises the necessity of refining processes to enhance the efficiency and effectiveness of both the Board and its Committees, actively seeking opportunities for continuous improvement.</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>	

Timeframe	:		
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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> <ol 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><u>TNB Non-Executive Directors' Remuneration and its subsidiaries</u></p> <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 remuneration for Non-Executive Directors is calibrated to address the current challenging landscape in fulfilling their fiduciary duties, roles, and responsibilities. The remuneration structure takes into account the intricacies of the Company's operations and the industry at</p>

large. Notably, the remuneration and benefits for Non-Executive Directors have remained consistent since 2013.

The Board in 2023 had engaged an independent expert to conduct a holistic and independent review of the Non-Executive Directors' Remuneration with the view to determine its market competitiveness and alignment with the latest regulations/corporate governance guidelines in Malaysia. The selected peer group used for benchmarking for this year's study was chosen based on a set of guiding principles that was consistent with the previous study, that consist of the top largest companies by market capitalisation.

The key principles used in determining the appropriate remuneration framework for the Non-Executive Directors' Remuneration, among others were to reflect the complexity, responsibility and accountability of the roles with increasing regulatory demands of Bursa Malaysia and Securities Commission, TNB's national importance, the competitiveness to attract and retain the talent profiles and to reflect the time and effort dedicated of their roles on the Board and Board Committees.

Based on the findings, TNB's Directors' fee competitiveness would be between the P50 and P75 of the market. Subsequently, the Board/BNRC agreed to retain the existing Non-Executive Directors' Remuneration and it is to be reviewed in three years' time.

The existing Non-Executive Directors' Remuneration structure is as follows:-

Description	TNB Board		TNB Subsidiaries	
	Chairman	Non-Executive Directors	Chairman	Non-Executive Directors**
Monthly fixes 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 II & III – RM1,500	Category I – 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> <p><u>Executive Director and Top Management Remuneration</u></p> <p>The remuneration package for the Executive Director (President/CEO) is designed to correlate rewards with both corporate and individual performance. It comprises salary, allowances, bonuses and customary benefits aligned with industry standards. A significant part of the Executive Director's compensation package is variable and contingent upon annual performance against individual Key Performance Indicators (KPIs) embedded in a scorecard aligned with corporate objectives as approved by the Board. Notably, the Executive Director abstains from participating in discussions and voting on his remuneration during Board meetings.</p> <p>The BNRC conducts an annual review of the Executive Director's performance, submitting informed views and recommendations to the Board regarding potential adjustments in remuneration or rewards, reflecting the Executive Director's contributions to the Group's achievements for the year.</p> <p>Top Management's remuneration package comprises three (3) distinct components:</p> <ol style="list-style-type: none"> i. the base salary, fixed allowances and benefits; ii. the Short Term Incentive (STI); and iii. the Long Term Incentive Plan (LTIP). <p>The base salary is set competitively, considering the scope of work, experience, and anticipated performance. Fixed allowances are separate from the base salary and are granted for specific cash benefits.</p> <p>The STI, contingent on annual performance, is disbursed as bonuses, contingent upon the Company's profitability and the performance of</p>			

	<p>Top Management. Evaluation criteria include quantitative targets and qualitative alignment with the Company's values.</p> <p>The LTIP is designed to retain and reward Top Management, aligning their interests with the long-term success of the Company.</p> <p>The BNRC annually evaluates the performance of the President/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 President/CEO and Top Management KPI. The President/CEO's remuneration package is reviewed by the BNRC to reflect the contributions made towards the Group's achievements for the year.</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>The TNB Board and Its Subsidiary Remuneration Policy together with the TNB Top Management Remuneration Framework are available on TNB's website: https://www.tnb.com.my/listings/corporate_governance/</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 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, the Nomination function and the Remuneration function. The key functions 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 Terms of Reference 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>The Board with the assistance of BNRC is 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>The 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> <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>Details of each Director's remuneration for the Financial Year ended 31 December 2023 are as per table disclosed.</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' Abdul Razak bin Abdul Majid	Non-Executive Non-Independent Director	274.84	35	-	-	30.06	-	339.90	345.49	43.50	-	-	30.06	-	419.05
2	Dato' Seri Ir. Baharin bin Din	Executive Director	-	-	1,560	1,170	155.74	1,059.27	3,945.01	-	-	1,560	1,170	155.74	1,059.27	3,945.01
3	Selvendran Katheerayson	Non-Executive Non-Independent Director	-	-	-	-	4.33	-	4.33	-	-	-	-	4.33	-	4.33
4	Rohaya binti Mohamad Yusof	Non-Executive Non-Independent Director	187.74	50.50	-	-	27.12	-	265.36	187.74	50.50	-	-	27.12	-	265.36
5	Muazzam bin Mohamad	Non-Executive Non-Independent Director	-	25	-	-	18.03	-	43.03	-	25	-	-	18.03	-	43.03
6	Ong Ai Lin	Independent Director	240	77	-	-	72.10	-	389.10	240	77	-	-	72.10	-	389.10
7	Juniwati Rahmat Hussin	Independent Director	240	90.50	-	-	28.06	-	358.56	240	90.50	-	-	28.06	-	358.56
8	Gopala Krishnan K. Sundaram	Independent Director	240	102.50	-	-	42.98	-	385.48	240	102.50	-	-	42.98	-	385.48
9	Dato' Roslina binti Zainal	Independent Director	240	114	-	-	41.42	-	395.42	240	114	-	-	41.42	-	395.42
10	Dato' Merina binti Abu Tahir	Independent Director	240	101.50	-	-	57.90	-	399.40	240	101.50	-	-	57.90	-	399.40
11	Elaine Ong Yee Lynn	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	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 mainly on 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>	<table border="1"> <tr> <td data-bbox="544 1641 963 1729"> <p>: Others</p> </td> <td data-bbox="963 1641 1412 1729"> <p>Please specify number of years.</p> </td> </tr> </table>	<p>: Others</p>	<p>Please specify number of years.</p>
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
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2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	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	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	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	:	Dato' Merina binti Abu Tahir is the Chairman of BAC. She is an Independent Non-Executive Director and is not the Chairman of TNB. This requirement is also stipulated in the BAC's Terms of Reference which is accessible on TNB's official website at www.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

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 Terms of Reference 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 BAC's Terms of Reference, the Committee is responsible to assess the suitability, objectivity and independence of the External Auditor annually 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 BAC 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 BAC 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 considers 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>During the year, two (2) meetings were held with the External Auditor without the presence of Management and Executive Directors to further reinforce independence of the External Auditor.</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 BAC's recommendation on the reappointment 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, Independent Non-Executive Director (Chairman);ii. Ong Ai Lin, Senior Independent Non-Executive Director;iii. Juniwati Rahmat Hussin, Independent Non-Executive Director;iv. Dato' Zulkifli bin Ibrahim, Independent Non-Executive Director. <p>The membership details of the BAC for Financial Year 2023 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 2023, two (2) members of the BAC i.e. Dato' Merina binti Abu Tahir and Ong Ai Lin are members of the Malaysian Institute of Accountants (MIA). The BAC, therefore, meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which stipulates that at least one (1) member of the Audit Committee must be a member of the MIA.</p> <p>The following are stipulated in the BAC's Terms of Reference pertaining to the members' skills and professional development:</p> <ul style="list-style-type: none">• Keep abreast of the latest corporate governance guidelines in relation to BAC and the Board as a whole.• 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.• Undertake continuous professional development programs to keep abreast of relevant developments in governance practices, accounting and auditing standards, practices and rules, sustainability development and requirements, and other related areas. <p>The qualifications, skills, experience and expertise vary among the BAC members of whom are from diverse fraternities such as 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 on pages 157 to 159 of the Integrated Annual Report 2023.	
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 Sustainability and Risk Committee (BSRC). 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 Terms of Reference. 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> <p>The Company's Statement on Risk Management and Internal Control are on pages 183 to 191 of the Integrated Annual Report 2023.</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>As at the date of this report, the Board Sustainability and Risk Committee (BSRC) comprises majority of Independent Directors, as follows:</p> <ul style="list-style-type: none">i. Ong Ai Lin, Senior Independent Non-Executive Director (Chairman);ii. Gopala Krishnan K.Sundaram, Independent Non-Executive Director;iii. Muazzam bin Mohamad, Non-Independent Non-Executive Director;iv. Selvendran Katheerayson, Non-Independent Non-Executive Director; andv. Dato' Zulkifli bin Ibrahim, Independent Non-Executive Director. <p>The membership details of the BSRC for Financial Year 2023 are provided in TNB's Integrated Annual Report which is accessible at TNB's official website.</p>

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 Abd Wahab, the Chief Internal Auditor (CIA), who reports functionally to the BAC and administratively to TNB's President/CEO.</p> <p>GIA endeavours to protect and enhance organisational value by providing risk-based and objective assurance, advice and insight through innovative solutions, 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 CIA's performance management result.</p> <p>The CIA 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 2023, GIA issued a total of 143 reports arising from 70 planned audits (thematic and non-thematic), one (1) ad-hoc audit, and 72 follow-up audits.</p> <p>Internal audit reports were issued to the Management of which contained audit observations, issues, root causes, recommendations, management response, and corrective actions in areas with significant risks and internal control deficiencies.</p> <p>The Management provided the corrective and preventive actions as well as deadlines to complete the actions. The 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 BAC for their deliberation. Management will 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 the BAC Report of TNB's Integrated Annual Report 2023 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 they are free from any relationships or conflicts of interests, which could impair their objectivity and independence. Any non-conformance and/or conflicts of interest will be reported to either the CIA or to the BAC. Annually, the CIA declares overall GIA’s organisational independence status to the BAC.</p> <p>As of 31 December 2023, GIA had a total of 62 auditors with diverse disciplines namely accounting, finance, business, engineering, quantity surveying, data analytics, and information technology. As at 31 December 2023, 31 GIA staff possessed various professional certifications i.e.</p> <ul style="list-style-type: none"> • Certified Internal Auditor (14), • Certified Information System Auditor (4), • Certification in Risk Management Assurance (4), • Association of Chartered Certified Accountants (3), • Chartered Institute of Management Accountants (1), • Certified Public Accountants - Malaysia (1), • Chartered Accountants - Malaysia (3), • Certified Fraud Examiner (1), • Professional Engineer (2), • Professional Technologist (11), • CISCO Certified Network Associate (3), and • Certified COBIT 5 (3). <p>GIA is headed by Pn. Lizah 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</p>

	<p>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 FY2021.</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 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 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

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>TNB has a well-established programme of engaging with a wide range of stakeholders who are key to the successful delivery of the Company's strategy. These include shareholders, government, regulators, environmental bodies and trade unions. We believe that the 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 time is provided to discuss 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>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>The Group upholds its commitment to foster purposeful and strategic relationship with the investment community through effective communication and proactive engagement. Led by the Senior Management and supported by the Investor Relations (IR) team, TNB adopt an inclusive approach to disseminate relevant and material information regarding the Group's development. This ensures transparency and facilitate a comprehensive understanding of our strategic initiatives.</p>

TNB formal communication channels encompass various platforms, namely:

- 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;
- Bursa filings and Press releases;
- Annual Integrated and Sustainability Reports;
- TNB corporate website's Investor Relations section;
- Site visits to TNB power plants for investors, and
- Email updates to investment community.

Active communication is instrumental in keeping both existing and potential investors informed on our strategic developments, financial and technical performance, and other key focus areas, as outlined in the 'Investment Community Feedback' section as stated in the Integrated Annual Report 2023.

A dedicated Investor Relations section on TNB's corporate website at www.tnb.com.my provides an access to TNB's 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.

Amid a challenging year due to fuel price fluctuations and widespread global inflation, the year 2023 unfolded as a pivotal period with the announcement of the National Energy Transition Roadmap (NETR). In response to this noteworthy development, the Investor Relations team remained engaged in fostering active dialogue with the investment community to keep them informed of TNB Energy Transition developments in supporting the NETR.

During the year, we conducted 616 engagements with analysts and investors through planned investor relations activities, including conferences, roadshows, one-on-one/group meetings, analyst briefings, and other communication platforms.

Further details on TNB's Stakeholders Engagement is on pages 177 to 181 of the Integrated Annual Report 2023.

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.

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

	<p>Management, corporate governance, the Constitution, policies, the Board Charter, Terms of Reference and other related corporate information are accessible through the TNB's website at https://www.tnb.com.my/ethics-governance/board-charter/</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>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 ensuring the disclosure of information to the market complies with the MMLR. 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 contact details of IR are available under Corporate Information on page 370 of the Integrated Annual Report 2023 and through the website: https://www.tnb.com.my/contact-us/investor-relations/ .</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

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 adopts 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	:	

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

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 AGM for year 2023 was held on 18 May 2023. The Notice of AGM was despatched to the shareholders on 17 April 2023. The requirement for at least 28 days' notice is fulfilled in adherence to the MCCG. In addition, TNB also distributed Administrative Details together with the Notice of the AGM, that provided information to the shareholders regarding the details of the AGM, their right to appoint a proxy and guidance to attend the virtual AGM via remote participation and voting. The explanatory notes in the Notice of AGM provide detailed explanations on each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>The 33rd 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>Notification Cards were also issued to the shareholders via post on 17 April 2023, same date as the 33rd AGM Notice issued electronically, 31 days prior to the AGM. The Notification Card contained QR code which shareholders could scan for the following digital documents of the Company which were 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 33rd AGMii. Administrative Details of the Virtual 33rd AGMiii. Integrated Annual Report 2023iv. 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 Electronic Voting 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Saved for Datin Rashidah binti Mohd Sies and Datuk Rawisandran a/l Narayanan, all Directors were physically present at the Broadcast Venue with only one (1) Director attended via remote participation.</p> <p>List of Directors who attended the 33rd AGM are as follows:</p> <ol style="list-style-type: none">1. Dato' Abdul Razak bin Abdul Majid – Chairman2. Dato' Seri Ir. Baharin bin Din – President/CEO3. Datuk Amran Hafiz bin Affifudin4. Puan Rohaya binti Mohammad Yusof – virtual participation5. Ong Ai Lin – Senior Independent Non-Executive Director6. Juniwati Rahmat Hussin7. Gopala Krishnan K.Sundaram8. Dato' Roslina binti Zainal9. Dato' Merina binti Abu Tahir <p>The Chairmen of BAC, BNRC and BSRC together with the External Auditors, PricewaterhouseCoopers PLT (PwC) were present to respond to any questions addressed to them.</p> <p>Datin Rashidah binti Mohd Sies was unable to attend the AGM as she had an official government engagement, while Datuk Rawisandran Narayanan had indicated his intention not to seek re-election, thus opted not to attend the AGM.</p> <p>Apart from Directors, the Key Senior Management had also attended the AGM remotely to provide the necessary support during the AGM proceedings.</p> <p>At the 33rd AGM, 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 and technical/operational highlights by the President/CEO, as well as vote and ask questions during the meeting. During the Meeting, the Chairman encouraged the shareholders to post questions to the Board and Management on the proposed resolutions tabled at the AGM. All</p>

	<p>questions submitted during the meeting were answered by the President/CEO, Chief Financial Officer and Company Secretary accordingly during the meeting. The President/CEO also shared TNB's responses to the questions received from the Minority Shareholders Watch Group (MSWG).</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	The absence of Datin Rashidah binti Mohd Sies and Datuk Rawisandran Narayanan at the 33 rd AGM was a one-off event.
Timeframe	:	Choose an item.

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 33rd 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 President/CEO, as well as to 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 33rd 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 33rd AGM dated 17 April 2023. A total of 1,749 shareholders and proxies representing 3,765,445,568 ordinary shares, registered and participated remotely via live streaming and online voting via the Boardroom Lumi AGM system.</p> <p>Shareholders may pose questions during the 33rd AGM live streaming at https://meeting.boardroomlimited.my. Shareholders may also submit questions in advance on the resolutions tabled at the 33rd AGM and Integrated Annual Report 2022 via Boardroom Investor Portal (BSIP) at https://investor.boardroomlimited.com</p> <p>Both the Chairman and President/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 by the President/CEO, Chief Financial Officer and the Company Secretary at the meeting. In addition, the replies to the MSWG'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 President/CEO, Chief Financial Officer or the Company Secretary read out the shareholders' questions.</p>

	<p>The questions posed by the shareholders covered areas amongst others on financials, business prospects, operations and ESG. All responses were available in the Minutes of the 33rd 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>TNB 33rd AGM was held virtually at the Broadcast Venue via remote participation and voting (RPV) located at Pusat Konvensyen Leo Moggie, TNB Platinum, No. 3 Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur 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 through 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 33rd 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 MSWG, 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</p>

	<p>Administrative Notes which was circulated prior to the meeting. Shareholders were allowed to submit their votes from the commencement of the meeting at 10.00 a.m. until the Chairman declared the closure of the voting session at 12.00 noon.</p> <p>The poll voting results were verified and confirmed by Boardroom Corporate Services Sdn. Bhd. as scrutineers. Upon conclusion, the results were displayed and shared live to all meeting participants, thereafter the Chairman declared that all resolutions were carried.</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 13.6

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 33 rd AGM held on 18 May 2023 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 12 June 2023, that is within 30 business days after 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.

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