

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5347
COMPANY NAME : TENAGA NASIONAL BERHAD
FINANCIAL YEAR : December 31, 2025

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 PERSUANT 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) and Board Integrity Committee (BIC). Subsequent to the expiry of the Long Term Incentive Plan (LTIP) on 29 April 2025, the Board accordingly approved the disbandment of BLTIP on 29 September 2025.</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> <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</p>

	<p>extends from TNB’s Governance Model, forming a vital pillar of the Company’s organisational ethos.</p> <p>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.</p> <p>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).</p> <p>The Board shall assume, among others, the following principal responsibilities:-</p> <p>i. Formulating, reviewing and approving the Company’s strategic business plan</p> <p>The Board plays a pivotal role in setting the strategic direction of TNB and in approving key corporate strategic initiatives proposed by Management.</p> <p>On an annual basis, the Board reviews and deliberates on the Company’s strategic and business plans, including the proposed capital and operating budgets for the ensuing financial year, as well as the associated Key Performance Indicators (KPIs). This review ensures alignment with the Company’s long-term strategic objectives and value creation agenda. In doing so, the Board rigorously evaluates Management’s assumptions, underlying methodologies, and strategic perspectives to support sound and informed decision-making.</p> <p>In addition to formal Board meetings, the Board and Management engage through an informal strategic forum known as the Board Breakout Session (BBO). Coordinated by the Company Secretary’s Office, with inputs from relevant Divisions as required, the BBO serves as a platform among others, for strategic dialogue and exchange of views, in-depth discussion of corporate plans, consideration of emerging risks and key operational matters as well as monitoring progress against approved strategies.</p> <p>During the Financial Year under review, four (4) BBOs were conducted:</p> <ul style="list-style-type: none"> • 15 February 2025 & 5 May 2025: Deliberation on Corporate Structure and Reimagining People Experience • 3 June 2025: Incentive-Based Regulation (IBR) Regulatory Period 4 (RP4) Delivery Strategy and Quarter 1 Status Update • 1 December 2025: Delivering Reimagining Tenaga 2.0 (RT2.0) Through Strategy Driven Budget
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Recently a BBO session was held on 9 February 2026 on the proposed Customer Transformation Programme. The session highlighted TNB Retail's evolution from a traditional utility to a customer-centric retailer, underpinned by strong customer trust and technology-enabled capabilities. Looking ahead, the initiative is pivotal in reinforcing TNB's market position and ensuring continued relevance amid a rapidly evolving energy landscape.

Through these sessions, TNB strengthened and refined its leadership and corporate structure, which was subsequently approved by the Board on 28 July 2025. This refinement reflects the Company's continued commitment to strong governance, effective business delivery, sustained performance, and long-term organisational resilience in an increasingly complex and evolving energy landscape. Management also updated the Board on the RP4 Delivery Strategy and Quarter 1 performance status across the Grid, Distribution Network, and Retail Divisions. These updates enabled the Board to assess implementation progress, operational performance, and alignment with regulatory commitments.

Following the Board's approval of the RT2.0 strategy in the previous Financial Year, emphasis was placed on embedding a strategy-driven budget approach to ensure optimal allocation of financial and operational resources in support of Business Entities' plans. The FY2026 Business Plan and Budget in alignment with RT2.0 targets were approved by the Board on 1 December 2025.

Based on the evaluation for the Financial Year under review, 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.

ii. Identifying and managing principal risks affecting the Company

The Board, through the BSRC, is mandated to oversee the robustness of the Group's sustainability and risk management frameworks, as well as the effectiveness of their implementation in achieving strategic objectives and sustainability commitments.

During the Financial Year, the BSRC convened 13 times, with deliberations centred on key sustainability and risk management matters. These included strategic business and sustainability risks monitored through forward-looking Key Risk Indicators aligned with the Group's risk appetite, encompassing key risks across TNB business entities, National Energy Transition Roadmap (NETR) projects, safety and health, legal matters, digitalisation and cyber security.

Together with the BAC, the BSRC jointly endorsed the Statement on Risk Management and Internal Control, which outlines the Group's risk management practices and internal control framework.

The execution of the Group's sustainability strategies and initiatives is driven through close collaboration with business entities across the Group, led by the Chief Sustainability Officer and the Sustainability Division.

	<p>Following the refinement of the corporate structure during the Financial Year, the Chief Risk Officer (CRO) leads the Risk Management Department with joint reporting to the President/CEO and BSRC, reflecting heightened focus on enterprise risk management.</p> <p>The Risk Management Department ensures the effective implementation of TNB Risk Management Framework, aligned with ISO 31000:2018, to facilitate informed decision-making.</p> <p>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.</p> <p>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 for the Company’s sustainability.</p> <p>iii. Reviewing the adequacy and Integrity of the Company’s Internal control system</p> <p>The Board is responsible for establishing and maintaining a robust reporting framework for internal controls and regulatory compliance across the Company. In discharging this responsibility, the Board, through the BAC, regularly reviews and assesses the adequacy and effectiveness of the Company’s system of internal controls, including financial, operational, compliance and information technology controls.</p> <p>During the Financial Year under review, regular meetings were held to evaluate the effectiveness of the internal control framework, with due regard to regulatory requirements, risk management practices, and recognised best practices, to ensure the integrity of the Company’s operations and financial reporting.</p> <p>Following the evaluation of the Financial Year, the Board collectively affirmed its fulfilment of these responsibilities through the diligent efforts of the BAC and BSRC.</p> <p>iv. Overseeing and evaluating the conduct and performance of the Company’s businesses</p> <p>The President/CEO is responsible for overseeing the Company’s day-to-day operations and for executing the Group’s strategies and policies as approved by the Board. He is well supported by dedicated Management Committees that facilitate effective decision-making and operational oversight.</p> <p>The performance of Management is evaluated on a regular basis, with primary emphasis on the quarterly financial performance of the Company and the Group. The Board is kept informed through regular updates on the</p>
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progress of strategic initiatives, key operational matters and overall Group performance, all of which are measured against approved KPIs.

v. Succession Planning

The Board, with the support of the BNRC, is responsible for identifying the required mix of skills, competencies, experience, expertise and diversity of Directors, as well as establishing succession plans to ensure an effective and well-balanced Board.

The selection and appointment of Independent Non-Executive Directors are undertaken by the Board, upon the recommendation of the BNRC, and are supported by independent consultants where necessary to ensure objectivity, rigour and best governance practices.

The Board and the BNRC also oversee the appointment and succession planning of Top Management to support leadership continuity and organisational sustainability.

The Board Skills Matrix continues to serve as a key reference for assessing the breadth of competencies across the Board, identifying capability gaps, and supporting effective succession planning in alignment with the Company's strategic objectives.

The review conducted during the year identified the capabilities required across relevant sectors namely Energy/Utilities, Regulatory & Compliance, Human Capital, Sustainability and Technology & Digitalisation, including the desired level of proficiency. This enhances Board succession planning by guiding the selection and development of directors, ensuring the Board remains well-positioned to support and deliver the Company's evolving strategic priorities.

During the Financial Year under review, there were several changes to the Board. This included the resignation of Elaine Ong Yee Lynn, Alternate Director to Selvendran Katheerayson, effective 15 August 2025 and the appointment of Mohamad Hanafi bin Salehuddin as Alternate Director to Selvendran Katheerayson with effect from 28 August 2025.

The Board on 29 September 2025, accepted the resignation of Selvendran Katheerayson, a Non-Independent Non-Executive Director, representing Khazanah Nasional Berhad (Khazanah) and the cessation of office of his Alternate Director, Mohamad Hanafi bin Salehuddin, effective 30 September 2025. Subsequently, Effizal Faiz bin Zulkifly was appointed as Non-Independent Non-Executive Director representing Khazanah, in place of Selvendran Katheerayson with effect from 30 September 2025, while Mohamad Hanafi bin Salehuddin was concurrently appointed as Alternate Director to Effizal Faiz bin Zulkifly on even date.

Based on Effizal Faiz's educational background and experience, his appointment was appropriate and expected to add significant value to the Company. Through his insights and advice, particularly in investment, portfolio rationalisation, value creation, stakeholder management,

	<p>transformation and strategy development, as well as through his expertise in the energy and utility industry, had contributed to strengthening the Board's decision-making.</p> <p>While Mohamad Hanafi bin Salehuddin brought knowledge and experience in investment, portfolio rationalisation, value creation and transformation that had assisted the Board in making informed decisions.</p> <p>The Board on 16 January 2026 accepted the resignation of Effizal Faiz bin Zulkifly and cessation of office of his Alternate Director, Mohamad Hanafi bin Salehuddin, effective on even date.</p> <p>Upon the completion of tenure of Datuk Ir. Megat Jalaluddin bin Megat Hassan as President/CEO, Datuk Ir. Ts. Shamsul bin Ahmad was appointed as President/CEO and Non-Independent Executive Director of TNB for a period of one (1) year, effective from 1 March 2026 until 28 February 2027, with an option to extend for one (1) year.</p> <p>The Board believed that his in-depth understanding of the Company's business and strategy, as well as the industry, would facilitate effective decision-making and provide continued leadership stability.</p> <p>With the approval of the Board, the BNRC streamlined structured appointment processes for appointments by the Special Shareholder and for filling casual vacancies by the Board during the Financial Year. These processes are documented in the Board Charter.</p> <p>The Board and the BNRC deliberated extensively on succession planning for critical positions in TNB, with the objective of identifying and managing the development of TNB's future leaders.</p> <p>During the Financial Year under review, TNB refined its leadership and corporate structure as part of its continued commitment to strong governance, effective business delivery, sustained performance and long-term organisational resilience in an increasingly complex energy landscape.</p> <p>The leadership refinement reflected TNB's disciplined approach to governance and succession planning, ensuring the organisation remains future-ready, well-led and supported by a strong pipeline of leadership talent to deliver its national responsibilities sustainably.</p> <p>As part of this enhancement, TNB introduced two (2) senior leadership roles namely, the Senior Chief Network Officer and the Senior Chief Strategy, Regulatory & Sustainability Officer, providing clear focus, strengthen accountability and reinforce the separation between strategic direction and operational execution.</p> <p>The refined structure enables the President/CEO to provide clear overall leadership and stewardship, while empowering senior leaders with well-defined responsibilities to drive performance, transformation and long-term value creation.</p>
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	<p>Ir. Mahathir Nor bin Ismail was appointed as Senior Chief Network Officer, effective 1 January 2026. He oversees the majority of execution and delivery responsibilities, providing clear ownership of operational performance, network reliability and system resilience. This ensures strong focus on the core mandate of delivering safe, reliable and resilient electricity supply for the nation.</p> <p>Dato' Ir. Muhamad Nazri bin Pazil was appointed as Senior Chief Strategy, Regulatory & Sustainability Officer effective 1 January 2026. He consolidates strategy, sustainability and long-term planning functions under a single leadership umbrella. This strengthens strategic coherence, enhances stakeholders' communication and ensures sustainability considerations are fully embedded into TNB's long-term decision-making and business direction.</p> <p>Following the new appointments of the respective Senior Chiefs, Ir. Ahmad Sazree bin Abd Aziz was appointed as Chief Distribution Network Officer with effect from 1 March 2026, to lead the Distribution Network Division replacing Ir. Mahathir Nor bin Ismail. Dato' Shahrir bin Abdul Latiff was made Managing Director, TNB Power Generation Sdn. Bhd. in place of Dato' Ir. Muhamad Nazri bin Pazil effective 1 March 2026, while Ir. Dr. Mohd Fadzil bin Mohd Siam was appointed as Chief Strategy & Ventures Officer on even date.</p> <p>Apart from that, Mohamed Azrin bin Mohamed Ali was appointed as Chief Risk Officer effective 1 December 2025. He previously held senior roles including Head, Solutions and Head, Customer Experience Solutions, under Retail Division. He leads the Risk Management Department and joint reporting to the President/CEO and BSRC.</p> <p>These appointments were made after intensive assessments by an independent expert and deliberations process as well as considering their qualifications, working experience, expertise, professionalism and knowledge of the Company and industry.</p> <p>The Board is satisfied that the BNRC has efficiently discharged its duties pertaining to the nomination, remuneration and succession management functions as set out in its Terms of Reference (TOR). The BNRC annually evaluates the performance of the President/CEO and Top Management, whose remunerations are directly linked to their respective KPIs.</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/BoardCharter.pdf</p>
<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>		
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 the Board members receive complete and accurate information timely;iii. leading Board meetings and discussions;iv. encouraging active participation and allowing dissenting views to be freely expressed;v. managing the interface between the 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; andiii. the issues discussed are forward looking and concentrated 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, in 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 strategy, sustainability, and the operations of the Group, including its principal operating subsidiaries, financial performance, legal and</p>

	<p>regulatory compliance, human capital, sustainability, governance, and risk management.</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>Tan Sri 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 Tan Sri Abdul Razak bin Abdul Majid is on page 231 of the Integrated Annual Report 2025.</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

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 holds executive responsibility for the day-to-day management of the Group's operations. This includes making recommendations to the Board and carrying out approved strategies, applying Group policies and promoting the desired organisational culture and standards. The role also involves providing Directors with timely and sufficient information to support informed decision-making.</p> <p>Tan Sri Abdul Razak bin Abdul Majid was appointed as Non-Independent Non-Executive Chairman of TNB on 27 March 2023 and his service as Chairman was extended for two (2) years term, effective from 27 March 2025 until 26 March 2027 as approved by Minister of Finance (Incorporated) (MoF Inc.).</p> <p>Datuk Ir. Ts. Shamsul bin Ahmad was appointed by MoF Inc., as President/CEO and Non-Independent Executive Director of TNB, in place of Datuk Ir. Megat Jalaluddin bin Megat Hassan for a period of one (1) year with effect from 1 March 2026 until 28 February 2027, with an option to extend for one (1) year.</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 Paragraph 3.0 of the Board Charter, which is available on TNB's website at https://www.tnb.com.my/assets/files/BoardCharter.pdf</p>

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

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of BAC or BNRC 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, brings more than 28 years of experience in corporate secretarial, compliance and corporate governance practice. He is a Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators (now known as Chartered Governance Institute), 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 the 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 plays a pivotal role in advising the Board on governance matters, facilitating smooth information flow and ensuring compliance with relevant regulations and corporate governance practices.</p> <p>The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with</p>

rules, regulations, procedures and laws affecting the Company in collaboration with the in-house legal adviser and Chief Financial Officer specifically to statutory laws and taxation.

The Company Secretary ensures that the attendance and minutes of all Board and Board Committees' 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 Board 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 the Board's communications in order to meet the Board's needs and the 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

	<p>Divisions/Departments to better assist the Directors in understanding the Company's core businesses and its whole operation.</p> <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>Trainings attended by the Company Secretary during the Financial Year under review:</p> <ul style="list-style-type: none"> i. TNB in-house training: Related Party Transaction ii. MAICSA Annual Conference 2025: Future Governance iii. SSM National Conference 2025 (Hybrid Conference): Leading Governance for Sustainable Growth <p>The profile of Company Secretary is provided on page 254 of the Integrated Annual Report 2025.</p> <p>The roles and responsibilities of the Company Secretary are specified in Paragraph 10.0 of the Board Charter, which is available on TNB's website at https://www.tnb.com.my/assets/files/BoardCharter.pdf</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

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>Prior to each Board meeting, a Pre-Board session is convened to facilitate collaboration between the Management and the Chairman, providing an avenue to exchange insights on the forthcoming agenda. This collaborative effort shapes the agenda for the Board meetings, ensuring alignment with strategic objectives. Utilising advanced meeting software, agenda and Board papers are securely circulated to Board Members at least five (5) working days in advance, enabling thorough review and preparation.</p> <p>The annual meetings calendar, comprising scheduled dates for Board and Committee meetings, including the AGM, is fixed prior to the end of the preceding year. This allows Directors and Management to plan ahead and prepare for the meetings accordingly, facilitating effective time planning and meeting preparation.</p> <p>In addition to the Board papers, the Management presentations are provided to enhance Directors' understanding of the subject matter, allowing for informed discussions. Directors are encouraged to seek further clarification or information during the meeting, fostering a culture of thoughtful and effective decision-making. The core activities of the Board and its Committees are documented and planned on a forward agenda, with any matters arising tracked and addressed in 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 Committees' meetings.</p> <p>The Company Secretary advises the Board on governance matters, ensuring good information flows within the Board, its Committees, the Group Executive Management Committee (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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), Corporate Disclosure Guidance, the MCCG and the CA 2016.</p>

	The Board and each Director are at liberty to obtain external independent or professional advice as deemed appropriate at the Company's expense to assist with decision making. This includes the attendance of external advisers at meetings and seeking required information from 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 to provide insights to existing and prospective Board members to assist them in discharging their fiduciary duties and responsibilities.</p> <p>TNB Board Charter supports good standards of corporate governance, by delineating 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, Individual Director, 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 upon each revision and the Board reviews its Charter once in every three (3) years and as and when required. The Board is guided by its Charter which sets out the Board's roles, powers, duties and functions.</p> <p>As of to date, the Board Charter was updated to reflect the Board appointment process, alignment with guidelines issued by MoF Inc., revision of ToR of respective Board Committees, disbandment of BLTIP as well as alignment with TNB's Sustainability Framework.</p> <p>The Board Charter is available on TNB's website at https://www.tnb.com.my/assets/files/BoardCharter.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

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> The Board of Directors adheres to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia. Each Non-Executive Director is equipped with the Board Charter and the Non-Executive Directors' Handbook, serving as a reference for their professional responsibilities and the terms and conditions of their service. The 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> The 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, emphasising 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>Sustainable Procurement Code of Conduct</u> In line with TNB's ESG strategy, the Procurement & Supply Chain Division had developed the Sustainable Procurement Code of Conduct (SPCC) with the sub-element of ESG while maintaining the key elements of anti-corruption and abuse of power.</p> <p>TNB is committed to ensuring responsible management of its procurement process. The SPCC outlines the practices and professional conduct expected of all Suppliers/Contractors of TNB towards upholding TNB's values of integrity, transparency and accountability. The SPCC applies to all employees, Seconded Employees, TNB Board of Directors and suppliers/contractors including their employees and Directors.</p>

The SPCC is guided by the core values of TNB namely integrity, collaborative, professionalism, customer centric, forward thinking and mindfulness and focuses on three (3) key elements of ethical conduct: (1) Zero tolerance on corruption; (2) No conflict of interest; and (3) Honest and accurate representation of capabilities.

Additionally, the Procurement & Supply Chain Policy and Procedures provide comprehensive guidance for executing procurement within TNB. This policy framework enables TNB to achieve optimal value, adopt leading business practices, prioritise business objectives, add value to customers and maintain high standards of corporate governance. TNB's COBE, SPCC and Organisational Anti-Corruption Plan are accessible at the respective sections of the Company's website at www.tnb.com.my.

Conflicts of Interest (COI)

In upholding principles of ethical and independent decision making and the enhancement to the existing COI disclosures as required by the MMLR, the TNB Board of 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 and voting, in ensuring impartial decision-making. Mitigation actions shall be taken upon any declaration of COI by the TNB Board of Directors or Top Management, with the concurrence of the President/CEO/Chairman/Senior Independent Non-Executive Director. In addition, TNB Directors, Top Management and its Boards of Subsidiaries are required to make COI declaration annually and on ad-hoc basis.

To ensure the enhancement of the existing COI disclosures as prescribed by the MMLR, the TNB COI Policy was revised and approved by the TNB Board on 16 December 2024. Additionally, the Guideline on COI Management for the Board of Directors and Key Senior Management of TNB was approved by the Board Integrity Committee on 20 November 2024.

In addition, the declaration of COI (if any) is included in the agenda of the respective Board and Board Committees' meetings as well as the Subsidiaries Boards' meetings prior to the tabling of the papers.

The COI Policy is a live document which will be reviewed periodically, and as and when the need arises.

Integrity Pledges

Integrity Pledges establish the expected standards of conduct for TNB personnel at all levels who are involved in procurement and tender

related activities. The Pledges reinforce TNB's commitment to integrity, transparency and accountability in procurement decision making.

They address key risk areas such as bribery, conflict of interest, collusion and the protection of confidential information. The Pledges also require a clear declaration of interests to ensure impartiality and sound governance throughout the procurement process. All Tender Committee members are required to sign the Integrity Pledge. In the event of any potential conflict of interest arising during a meeting, the affected member shall be required to declare such interest and, where applicable, recuse themselves or be excluded from related deliberations and decision-making processes. As an established practice within the Procurement & Supply Chain Division, in collaboration with the Integrity Department, TNB Board of Directors are also required to sign an Integrity Pledge for BTC/Board meeting.

This commitment underscores TNB's zero-tolerance stance on corruption, its proactive management of conflicts of interest, and its dedication to safeguarding confidentiality and public trust in the procurement process.

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 Gifts, Hospitality and Related Benefits 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. Towards achieving the certification, TNB launched the TNB Corporate Integrity Management System (TCIMS) to drive an integrity-based

culture and a high level of compliance with local and international anti-bribery standards. On 15 November 2018, TNB was awarded with the ABMS Certification from SIRIM and to further reinforce this culture, launched the TCIMS Handbook. TNB has a well thought out set of Shared Values made publicly available and communicated to the workforce. First among the TNB Shared Values is Integrity. The three (3) behaviours of Integrity are:



The TCIMS covers four (4) main policies, namely the Anti-Bribery Policy; the Gifts, Hospitality and Related Benefits Policy; the Conflicts of Interest Policy; and the Whistleblowing Policy.

In 2025, TNB reviewed these four (4) main policies to ensure consistency with the organisation's current practices.

During the Financial Year under review, surveillance audits by SIRIM were conducted involving the Retail Division and two (2) TNB wholly owned subsidiaries, namely Malaysia Transformer Manufacturing Sdn. Bhd. and TNB Repair and Maintenance Sdn. Bhd. as well as two (2) TNB subsidiaries, Tenaga Cable Industries Sdn. Bhd. and Sabah Electricity Sdn. Bhd. There were three (3) recertification audits by SIRIM conducted for Procurement & Supply Chain Division and two (2) TNB wholly owned subsidiaries, TNB Fuel Services Sdn. Bhd. and TNB Integrated Learning Solution Sdn. Bhd. Additionally, Tenaga Switchgear Sdn. Bhd. successfully obtained the ISO 37001 Anti-Bribery Management System certification by SIRIM.

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.

TNB conducted the Integrity Health Survey (IHI) in 2025, where 34,061 staff participated in the survey. Based on the survey, TNB recorded a score of 92.44% as opposed to 91.89% in 2024. TNB also established a systematic approach through the Annual Training and Communication Plan (TCP) capitalising on 3Es (Education, Engagement and Enforcement) for the areas of improvement identified through the IHI conducted in 2024.

	<p>In 2025, 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. The initiatives included the following:</p> <ul style="list-style-type: none"> • Related programs to Divisions/Departments and Subsidiaries • Two (2) sessions of Fraud and Bribery Risk Management workshop • All staff including Subsidiaries staff were required to complete Anti-Corruption training • All staff are required to sign the integrity pledge, declare any conflicts of interest annually and specifically as and when a conflict arises • Four (4) staff attended Certified Integrity Officer (CeIO) programme organized by MACC • Joint integrity programs with MACC • Published 12 Integrity bulletins • Anti-Corruption Training for TNB Staff • Anti-Corruption Training for TNB Vendors • Seminar for Board of Directors & Top Management, entitled 'Governance, Leadership & Culture' • Seminar for Board of Directors of TNB Subsidiaries, entitled 'Understanding Anti Bribery & Corruption and Section 17A Corporate Liability' • Integrity programme for Hot Jobs • Fraud & Bribery Risk Management Awareness Session for Integrity Coordinators & Risk Managers • Joint Program with Credit Counselling and Debt Management Agency • Human Governance Series • Joint Program with MACC <p><u>Organisational Anti-Corruption Plan</u></p> <p>TNB Organisational Anti-Corruption Plan (OACP) serves 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.</p> <p>TNB's COBE, Sustainable 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/.</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>	

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> <ul style="list-style-type: none"> • To identify and address unacceptable conduct. • To cultivate a supportive working environment that empowers employees and contractors to raise legitimate concerns with both personal and organisational implications. • 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="width: 33%;">NAME</th> <th style="width: 33%;">DESIGNATION</th> <th style="width: 33%;">E-MAIL ADDRESS</th> </tr> </thead> <tbody> <tr> <td>Ong Ai Lin</td> <td>Senior Independent Non-Executive Director</td> <td>ongailin.integrity@tnb.com.my</td> </tr> <tr> <td>Ahmad Petra Firdaus bin Abdullah</td> <td>Chief Integrity Development Officer</td> <td>petrafirdaus.integrity@tnb.com.my</td> </tr> <tr> <td>Hasbah binti Hasbullah</td> <td>Senior Manager (Disciplinary Management)</td> <td>hasbahh.integrity@tnb.com.my</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Whistleblowing toll free number : 1-800-888-862 	NAME	DESIGNATION	E-MAIL ADDRESS	Ong Ai Lin	Senior Independent Non-Executive Director	ongailin.integrity@tnb.com.my	Ahmad Petra Firdaus bin Abdullah	Chief Integrity Development Officer	petrafirdaus.integrity@tnb.com.my	Hasbah binti Hasbullah	Senior Manager (Disciplinary Management)	hasbahh.integrity@tnb.com.my
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	The Whistleblowing Policy is available on TNB's website: https://www.tnb.com.my/ethics-governance/whistle-blowing/	
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>Sustainability principle and implementation in TNB is guided by the TNB Sustainability Framework and TNB Sustainability Governance Structure. The framework embeds sustainability aspirations, commitments, communication to stakeholders, and effective implementations in driving and enhancing sustainability performance in the Group.</p> <p>The TNB Sustainability Governance Structure is in place to facilitate oversight, strategic management, and implementation of sustainability strategies and initiatives at all levels. In the structure, TNB Board of Directors deliberates and approves the Group's sustainability direction, strategies, and plans while overseeing the implementation and performance. This includes the TNB Sustainability Framework that was approved by the Board in 2024.</p> <p>The BSRC assists the Board of Directors in fulfilling its responsibilities by overseeing the robustness and effective implementation of the Group's sustainability and risk management framework, policy, strategy and initiatives to achieve business objectives and sustainability commitment, as well as addressing risk exposures and harnessing opportunities.</p> <p>Sustainability & Energy Transition Committee (SETC), is chaired by the President/CEO, deliberates and approves TNB operational sustainability policy statements, procedures and guidelines. The SETC to steer direction, align and advice for divisional energy transition and sustainability commitment. These outcomes are input in the formulation and revision of corporate strategy & sustainability targets, and for informed decision-making at business entities. Execution is driven by the Senior Chief Strategy, Regulatory and Sustainability Officer who was appointed effective 1 January 2026, together with the Chief Sustainability Officer and Sustainability Division, while business entities manage sustainability and climate-related risks and opportunities within their operations.</p>

	<p>Assurance on sustainability-related disclosures is conducted internally by Group Internal Audit, with oversight from the BAC, which reviews the Statement of Assurance and approves the assurance methodology and scope.</p> <p>Business Entities identify and implement sustainability and energy transition initiatives, supported by data, to advance the achievement of sustainability strategies and ESG goals as well as managing related risks and opportunities.</p> <p>TNB Sustainability Governance Structure is in place to facilitate oversight, strategic management, and implementation of sustainability strategies & initiatives that is aligned with the principles of the MCCG. The governance structure depicts key roles, responsibilities and practices to ensure the Group operates ethically and in alignment to its sustainability goals, adhering to regulatory requirements and stakeholders' expectations.</p> <p>TNB Top Management continues to be committed to the Reimagining TNB (RT) strategies as part of the Energy Transition (ET) journey to deliver the intended RT outcomes and Net Zero 2050 aspiration. The ET plan and initiatives 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, aim to boost the growth and sustainability of TNB operations and support future economic growth in Malaysia.</p> <p>During the Financial Year, the Board, through the BSRC, approved the National Sustainability Reporting Framework Adoption Plan, while key Group-wide policies and targets were endorsed at management level SETC, including the Carbon Management Strategy, emissions intensity reduction target, Diversity, Equity and Inclusion Policy, Sustainable Supply Chain Framework and International Sustainability Standards Board (ISSB) Adoption Plan.</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 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 TNB Sustainability Governance Structure ensures effective deliberation, communication, and implementation of sustainability strategies, plans, and performance across all levels of the organisation. It provides oversight, strategic guidance, and support for the integration of sustainability initiatives, including climate related risks and opportunities, into the Group's operations and decision-making.</p> <p>To oversee sustainability implementation and performance, the Board and its Committees conduct scheduled meetings and receive comprehensive briefings on proposed sustainability-related matters, including climate-related risks & opportunities and regulatory developments. The dynamic exchange of views during these deliberations, allows the Board and Committees to provide valuable insights and guidance on sustainability priorities.</p> <p>The Board, supported by BSRC, oversees TNB's sustainability and risk management to ensure alignment with strategic objectives. The BSRC recommends sustainability strategies, monitors performance, considers climate-related risks and opportunities, and advises on resources, budgets and the Sustainability Statement.</p> <p>On risk management, the BSRC recommends the risk framework and policies, oversees enterprise risk management, evaluates emerging risks, approves the Group's risk appetite, coordinates with the Board Audit Committee, and appraises the performance of the risk function and Chief Risk Officer, supporting informed Board decisions and long-term value creation.</p> <p>The SETC deliberates and approves TNB operational sustainability policy statements, procedures and guidelines. The SETC steers direction, align and advice for divisional energy transition and sustainability commitment. These outcomes are input in the formulation and revision of corporate strategy & sustainability targets, and for informed decision-making at business entities.</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 4.3

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 the context of a rapidly evolving energy landscape and increasing sustainability expectations, TNB implements a comprehensive ongoing training and development programme for all Directors to ensure they are well-prepared to provide informed oversight of strategic and ESG priorities. Assessment of training needs is embedded within the Board evaluation process, ensuring programmes are relevant and targeted. Initiatives include regular presentations from Management, informal meetings, and briefings on operational, technical, and sustainability-related matters. The annual in-house Board Development Programme (BDP), a core component of the ongoing Board Continuing Development Programme, further strengthens Directors' expertise in sustainability, climate-related risks and opportunities, and other emerging ESG matters.</p> <p>Complementing ongoing training, all new Directors undergo a robust induction programme. The induction includes meetings with Top Management, site visits, and briefings on key operational matters, Board procedures, and governance practices, enabling them to gain understanding of the Group's business, governance framework, and sustainability priorities.</p> <p>Following the findings of the Board Effectiveness Assessment 2024, the Board agreed that a structured training module be developed for the Board, specifically for Non-Technical Directors.</p> <p>The objective of this initiative is to enhance the knowledge and understanding of Board Members on the energy sector in general, and the electricity supply industry in particular. Considering the increasing complexity of the energy landscape including evolving regulatory frameworks, energy transition imperatives, technological advancements, and sustainability commitments, it is essential that all Board members possess a sufficiently robust foundational understanding of the sector.</p> <p>Through this initiative, Directors are better equipped to engage in more informed and strategic deliberations, thereby strengthening the effectiveness of Board discussions and supporting the Board's commitment to continuous improvement and governance excellence.</p>

In line with this objective, on 6 February 2026, a one-day programme entitled *“Energy 101: Concepts, Systems, and Sustainability”* was conducted by Universiti Tenaga Nasional Sdn. Bhd. (UNITEN), co-organised by the Institute of Power Engineering (IPE), UNITEN Ventures, the College of Engineering, and TNB Company Secretary’s Office. Several Directors attended the programme and it was concluded with closing remarks delivered by TNB Chairman.

During the Financial Year under review, the Directors also attended conferences and professional trainings related to ESG/Sustainability/Climate Change/Industry Related as follows:-

Date	Conference/Training
7 - 8 January 2025	Investment into Forestry & Biodiversity Conference Singapore
9 January 2025	Where Does Nuclear Energy Fit in the Energy Transition?
3 – 7 February 2025	INSEAD Business Sustainability Programme
20 February 2025	Tan Sri Leo Moggie 4 th Lecture Series 2025
5 March 2025	C3 Upskilling Sustainability Training Series 1 - Transition Planning Clinic 2 Driving Action: Implementation Strategies of Financial Institution
18 March 2025	Network to Mobilize Investment for Clean Energy in EMDEs by World Economic Forum
7 April 2025	Investors Roundtable: Unlocking Opportunities to Advance ASEAN Climate Initiatives by BNM
4 - 5 May 2025	Ecosperity Week in Singapore 2025
22 May 2025	Gear-Up Healthcare Talk
26 May 2025	Energy Transition Meeting in ASEAN: Fostering Regional Cooperation by World Economic Forum
12 June 2025	Regional Workshop on Regional Workshop on "Accelerating a Just Energy Transition: Southeast Asia Power Planning"
16 - 18 June 2025	Delivering Asia Energy Transition
18 - 20 June 2025	Japan Energy Summit & Exhibition 2025
1 July 2025	Directors’ Masterclass Series 2025 Session 3 - 9: Overview of Climate-Related Physical Risks
9 July 2025	"J.P. Morgan: JPM Webinar: Asean Power Grid - Myth or Reality? Tenaga Standout Winner; Opportunity for Chinese"
15 July 2025	Network to Mobilize Clean Energy Investment in EMDEs - Seminar with the Private Sector Investment Lab
23 July 2025	Navigating the Coal-to-Clean Transition: SOE Asset Owner Dialogue
25 July 2025	CFO Circle Physical Event – Collaborative Leadership in Sustainability Reporting

Date	Conference/Training
28 July 2025	Unlocking Capital for Sustainability Malaysia - Fostering Inclusive and Sustainable Growth for Asean
29 - 30 July 2025	SIDC-CASI SRI Conference 2025: Shaping the Future of ASEAN Business in Sustainability
6 August 2025	How Did France Reach 70% Nuclear Energy? – Nuclear webinar series: Episodes 3 & 4
2 September 2025	In-House Training on Future-Proofing the Board: ISSB Standards and the Next Frontier of ESG Leadership
3 - 4 September 2025	Sustainable & Renewable Energy Forum (SAREF) 4.0
23 September 2025	ASEAN Green Shift Forum
2 October 2025	Driving Sustainable Organizations: Empowering Boards for Lasting Impact
16 October 2025	25 th ASEAN Energy Business Forum (AEBF)
31 October 2025	The Malaysian Bar Environment, Social and Governance (ESG) Conference
4 November 2025	In-House Training on Strategic Success on The Path to Net Zero
14 December 2025	Strategic Capital for a Green Economy: ESG, AI, and Sovereign Wealth in ASEAN Finance

The Board provides overall guidance and oversight on sustainability matters. With the support of BSRC, it assumes responsibility for ensuring the robustness of TNB’s sustainability and risk management frameworks, as well as the effectiveness of their implementation in achieving strategic objectives and sustainability commitments.

In the sustainability context, the BSRC assists the Board by deliberating and recommending sustainability strategies, framework and policy related to sustainability and climate-related impacts, risks and opportunities. BSRC also deliberates and recommends for the Board’s approval of the risk management framework and policy, oversees the effectiveness of the enterprise risk management, and reviews risk exposures and mitigation measures.

The BAC complements this oversight by providing assurance on sustainability-related matters. This includes ensuring the consistency and coherence of sustainability-related disclosures, reviewing the assurance plan and methodology for the Sustainability Statement, and approving the results of the assurance.

Through structured training, professional experience and committees’ support, the Board maintains a strong understanding of ESG matters, anticipates risks, and identifies strategic opportunities. This enables the Board to provide oversight, strengthen TNB’s governance, resilience, and long-term value creation.

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>Performance evaluation of the Board and Senior Management include an assessment of their effectiveness in addressing the Group’s sustainability and climate-related risks and opportunities. Sustainability-linked Key Performance Indicators (KPIs) are embedded within Top Management’s performance evaluation scorecards to drive group-wide accountability in steering the Group’s sustainability agenda. These KPIs are further cascaded across all levels of the organisation to ensure consistent alignment and ownership.</p> <p>TNB’s performance management cycle is guided by the Strategic Planning and Performance Management (SPPM) framework, which integrates corporate strategy, business plans, annual operating plans, budgets with KPI setting and performance reviews. KPIs and targets are aligned with the Group’s strategic objectives and annual priorities, including sustainability-related focus areas.</p> <p>In 2025, the delivery of KPI performance was monitored through the RT 2.0 Performance Dashboard and reviewed continuously throughout the year. Progress was deliberated at the Group Executive Management Committee (GEMC) Roundtable on a monthly basis, with overall performance evaluated at the end of the Financial Year.</p> <p>To reinforce accountability at all management levels and to steer the Group’s sustainability performance, strategic objectives and KPIs relating to sustainability are incorporated into the performance scorecards of the President/CEO and Top Management. These include ESG ratings, carbon emission intensity reduction, occupational health and safety, and the expansion of renewable energy capacity.</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

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

Practice 4.5- Step Up

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>In 2025, TNB refined its leadership and corporate structure to strengthen governance and ensure dedicated senior management oversight in line with the MCGG.</p> <p>The refinement reflects TNB's commitment to embedding sustainability, regulatory compliance, and long-term value creation into its strategic direction, with clear accountability at the highest management level to oversee environmental, social, and governance (ESG) priorities.</p> <p>As part of this enhancement, TNB designated the Senior Chief Strategy, Regulatory & Sustainability Officer (SCRSO) to steer focused leadership over sustainability strategy, regulatory engagement, and long-term planning. This ensures that sustainability considerations are integrated into corporate decision-making, risk management, and business operations.</p> <p>Chief Sustainability Officer maintains the role to orchestrate impactful sustainability initiatives, strengthen sustainability governance, drive transparent & balance sustainability disclosures and reinforce stakeholder trust on sustainability.</p> <p>The establishment of dedicated senior management roles strengthen strategic coherence, enhance cross-functional coordination, and improve engagement with key stakeholders, including regulators, investors, and communities. It also supports the identification, assessment, and management of sustainability-related risks and opportunities, consistent with good governance practices.</p> <p>By assigning clear responsibility for sustainability at senior management level, TNB reinforces accountability, strengthens governance structures, and ensures that sustainability remains a core component of the organisation's long-term strategy and performance monitoring.</p> <p>This leadership enhancement supports the delivery of TNB RT2.0 (Reimagining TNB 2.0), the Group's strategic roadmap to transform</p>

	Malaysia's energy system towards a more sustainable, resilient, and future-ready energy model, aligned with the nation's aspiration to achieve Net Zero emissions by 2050.
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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 BNRC also oversees succession planning for the Board and Board Committees as part of its ongoing review of Board composition. The Board has adopted a Policy on Tenure of Directorships, which limits the tenure of Independent Directors to a cumulative period of nine (9) years without further extension and enables the Board to reassess its membership and refresh Board composition, where appropriate.</p> <p>The Board of Directors' Fit and Proper Policy sets out the criteria for the appointment and re-appointment of Directors of TNB and its subsidiaries, based on three (3) key pillars: character and integrity, experience and competence and time and commitment. The Policy is available on the Company's 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>Tan Sri Abdul Razak bin Abdul Majid, Muazzam bin Mohamad and Ong Ai Lin 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>

The Board recognises the Directors' performance are used as basis in recommending their re-election to the shareholders. This, in turn, is determined through their annual evaluation assessment and independence assessment, which were assessed by the BNRC before any recommendation was made to the Board for deliberation and approval.

Based on the annual independence assessment undertaken by Ong Ai Lin, the Senior Independent Non-Executive Director (SID) who is retiring at the coming AGM, the Board/BNRC were satisfied that she had complied with the independence criteria as prescribed by the MMLR and had fulfilled her duties as SID and continued to bring independent and objective judgement to the Board.

They continued to exercise their duty of care and diligence as Directors in the best interest of the Company, its shareholders and stakeholders. Through the Board Effectiveness Assessment for FY2025, the retiring Directors on average, had received excellent rating, and had met the performance criteria required of an effective and high-performance Board.

Tan Sri Abdul Razak bin Abdul Majid, Chairman of TNB, is an Appointed Director representing the Minister of Finance (Incorporated) (MoF Inc.), the Special Shareholder of TNB. He brings extensive experience in the electricity utility and engineering sectors, built through his long-standing service with Lembaga Letrik Negara/TNB and his previous roles, including as Chairman of the Energy Commission.

Muazzam bin Mohamad, a Non-Independent Non-Executive Director representing Permodalan Nasional Berhad (PNB), has expertise in investment, corporate strategy, and sustainability. He spearheaded the establishment of PNB Group's stewardship framework and currently oversees institutional governance, corporate and investment sustainability, as well as shareholder activism functions at PNB.

Ong Ai Lin, Senior Independent Non-Executive Director and Chairman of the Board Sustainability and Risk Committee, possesses extensive expertise in audit, governance, risk & compliance, and technology and cybersecurity risk management and is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants in England and Wales (ICAEW).

In respect of the new appointment made to the Board prior to the upcoming AGM, Datuk Ir. Ts. Shamsul bin Ahmad shall retire at the forthcoming AGM in accordance with Clause 63(2) of the Company's Constitution and being eligible, have offered himself for re-election. Datuk Ir. Ts. Shamsul bin Ahmad is an Appointed Director of MoF Inc.

Based on the declaration of conflict of interest by the retiring Directors, the respective Directors shall take necessary mitigation plan/measures to address the 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. They will recuse themselves from participating in any discussions pertaining to the matters involving the interest of respective Companies with TNB Group and will abstain from deliberation and voting on such matters at the Board and Board Committees' meetings.

Having considered their fit and proper assessment including declaration of conflict of interest, due diligence for the newly appointed Director, professionalism, vast experience, material relationship, competency, commitment and individuals' contributions in performing their respective duties, the Board and the BNRC were satisfied that all Directors who are standing for re-election at the 36th 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 recognises its pivotal role in enhancing overall effectiveness and, in turn, delivering sustainable value to the Company. This commitment is reflected through the conduct of annual performance evaluations, thoughtfully structured induction programmes for newly appointed Directors, and a continuous stream of Board development initiatives.

Tan Sri Abdul Razak bin Abdul Majid, Muazzam bin Mohamad and Ong Ai Lin who are standing for re-election at the 36th AGM have complied with the requirement in term of attendance as prescribed by MMLR as well as 2.12.8 of the Board Charter that requires Directors to attend not less than 75% of the Board and relevant Board Committees' meetings held during the Financial Year. Each Director attended all Board Meetings (100%) for the Financial Year ended 31 December 2025. This demonstrates that they had devoted sufficient time and commitment in carrying out their responsibilities throughout the Financial Year under review, apart from their other current commitment.

The 2025 Board Effectiveness Assessment (BEA) was conducted internally and facilitated by the Company Secretary through a comprehensive set of online questionnaires.

The 2025 BEA questionnaires comprised the following components:

- Assessment of Overall Board Effectiveness
- Assessment of the Chairman of the Board
- Assessment of each Board Committee and its respective Chairman
- Individual Directors' Self and Peer Assessment (SPA)

The overall effectiveness of the Board was assessed across the following key areas:

- Corporate Strategy and Direction Setting
- Board Governance and Oversight

- Board Committees' Relevance
- Board Dynamics and Composition
- Board Management and Operations
- Board's key priorities

Each Board Committee was evaluated in terms of its structure and processes, accountabilities and responsibilities, as well as its composition and dynamics. The effectiveness of the respective Chairmen of the Board Committees was also assessed.

The Directors' SPA framework, assesses each member's contribution, performance, calibre, and personal attributes, including the skills, experience, and qualities brought to the Board and respective Committees.

Based on the 2025 BEA results, the Board continued to demonstrate solid performance, achieving excellent average rating across key effectiveness indicators.

The Directors' SPA results reflected excellent average ratings, indicating that each Director was generally effective in discharging his or her responsibilities and contributing meaningfully to Board deliberations.

Similarly, the respective Board Committees and their Chairmen achieved excellent average ratings, demonstrating that members of the Committees had effectively discharged their roles in accordance with their respective Terms of Reference (TORs). The Committees were assessed as adding significant value to the Board and the Company, with members possessing the requisite qualifications, skill sets, competencies, knowledge, and expertise necessary to contribute to the overall effectiveness of the respective Committees.

Building upon insights from the 2024 BEA, the Board continued to exhibit strong and effective leadership in 2025. The assessment highlighted a clear distinction in the roles and responsibilities of the Chairman and the President/CEO, reflecting robust governance practices and effective leadership in guiding the Company's strategic direction. Tan Sri Abdul Razak bin Abdul Majid was rated as an excellent and effective Chairman, demonstrating decisiveness and an action-oriented approach, while fostering an open, consultative, and constructive Board environment.

The Board was also regarded as effective in upholding the integrity of the Company, ensuring alignment with regulatory requirements, internal standards and best practices. The Directors remained steadfast in fulfilling their fiduciary duties, including reviewing and monitoring the Group's strategic plan, overseeing and evaluating the conduct and performance of the Group's business and establishing sound risk management and internal control frameworks across the Group.

	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 36 th 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	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>At the issuance of this CG Report, TNB Board consists of 11 members, of which the Independent Directors exceed the minimum number as prescribed by the MMLR as follows:</p> <ul style="list-style-type: none">• one (1) Executive Director (President/CEO);• four (4) Non-Independent Non-Executive Directors; and• six (6) Independent Non-Executive Directors. <p>In support of the MCCG and to maintain appropriate dynamics on Board, the Board continues to assess and consider the capabilities, commitment and qualities of candidates to be appointed as Board Members in accordance with TNB's Constitution, taking into account the required mix of skills, background, experience, expertise and knowledge relevant to the Company's business and industry.</p> <p>It is vital for the Board to assess the independence of its Independent Directors. This is done annually with reference to the key criteria developed by BNRC in a framework adopted by TNB. The criteria include independence from the Management and the absence of any business relationship which could materially interfere with or could reasonably be perceived to materially interfere with the exercise of objective, unfettered with the Independent Director's judgement.</p> <p>The Directors are also assessed on their ability to provide strong, valuable contributions to the Board's deliberations, without interference to and acting in the best interest of TNB.</p> <p>An assessment of the independence status of each Independent Non-Executive Director was carried out by the Board/BNRC for the Financial Year under review. Based on this assessment, no material business relationships or circumstances were identified that could impair the independence of character or judgment of the Independent Non-Executive Directors, in accordance with the MMLR and the MCCG.</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

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 assessment 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 230 and the Board of Directors' Profile on pages 231 to 242 of the Integrated Annual Report 2025.

Intended Outcome

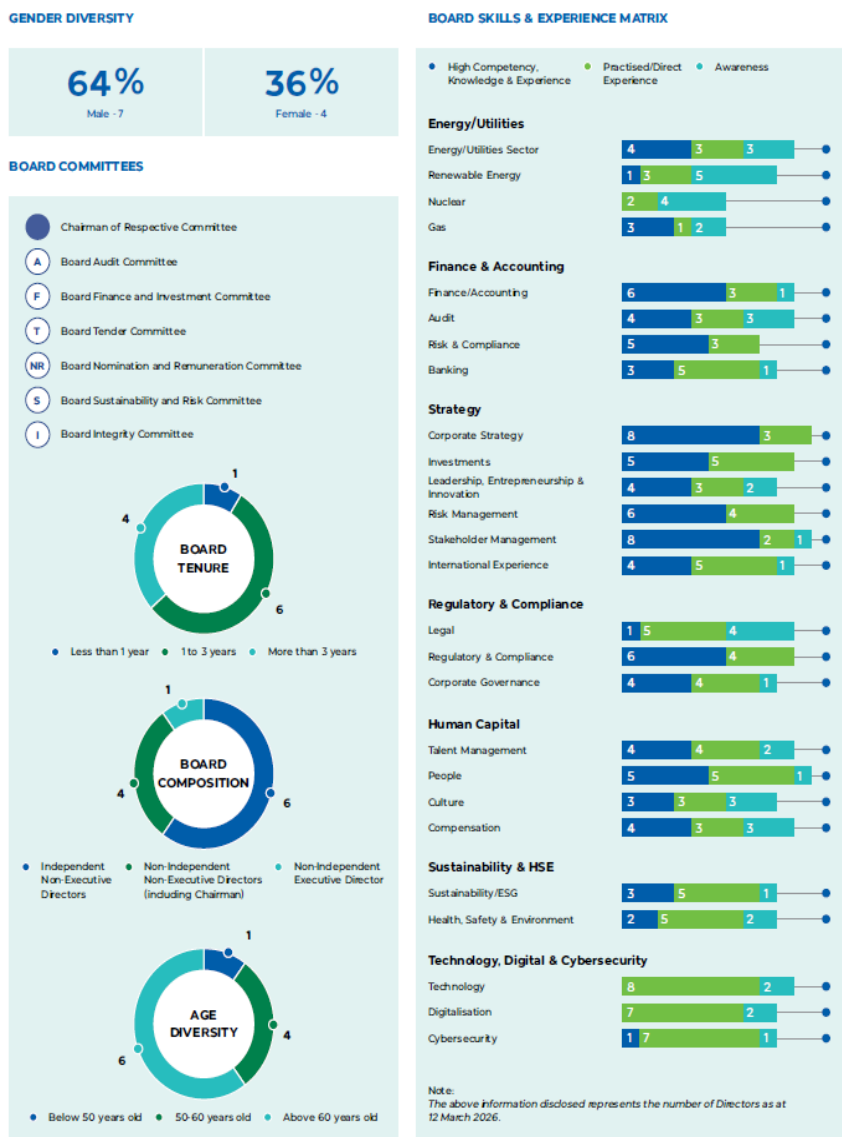
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

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 Skills and Experience Matrix continues to serve as key reference for assessing the breadth of competencies across the Board. 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 and Experience Matrix consist of several categories of expertise, namely Finance and Accounting, Energy/Utilities, Regulatory and Compliance, Strategy, Human Capital, Sustainability and Health, Safety and Environment, Technology, Digital and Cybersecurity and other factors relevant/tailored to the Company's needs along with certain requirement in place.</p> <p>At the issuance of this CG Report, the Board Skills and Experience Matrix, are summarised as follows:-</p>



The Board remains deeply committed to promoting diversity within the Company's Senior Management. It conducts an annual review 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.

At the issuance of this CG report, there are four (4) women on Board, namely Rohaya binti Mohammad Yusof, Ong Ai Lin, Juniwati Rahmat Hussin and Dato' Merina binti Abu Tahir, representing 36% 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 Senior Independent Non-Executive Director and Chairman of BSRC, Dato' Merina binti Abu Tahir is the Chairman of BAC and Juniwati Rahmat Hussin is the Chairman of BNRC and 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:-

	<p>The Board (excluding President/CEO and alternate director):</p> <table border="1"> <thead> <tr> <th colspan="3">RACE/ETHNICITY</th> <th colspan="3">AGE GROUP</th> <th colspan="2">GENDER</th> </tr> <tr> <th>Bumiputera</th> <th>Chinese</th> <th>Indian</th> <th>Below 50 years</th> <th>50 to 60 years</th> <th>Above 60 years</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>1</td> <td>1</td> <td>1</td> <td>3</td> <td>6</td> <td>6</td> <td>4</td> </tr> </tbody> </table> <p>The Top Management (including President/CEO):</p> <table border="1"> <thead> <tr> <th colspan="3">RACE/ETHNICITY</th> <th colspan="3">AGE GROUP</th> <th colspan="2">GENDER</th> </tr> <tr> <th>Bumiputera</th> <th>Chinese</th> <th>Indian</th> <th>Below 50 years</th> <th>50 to 60 years</th> <th>Above 60 years</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>13</td> <td>1</td> <td>-</td> <td>4</td> <td>10</td> <td>-</td> <td>12</td> <td>2</td> </tr> </tbody> </table> <p>The appointments of Board members/Top Management 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 231 to 242 and pages 244 to 254 respectively of the Integrated Annual Report 2025.</p>	RACE/ETHNICITY			AGE GROUP			GENDER		Bumiputera	Chinese	Indian	Below 50 years	50 to 60 years	Above 60 years	Male	Female	8	1	1	1	3	6	6	4	RACE/ETHNICITY			AGE GROUP			GENDER		Bumiputera	Chinese	Indian	Below 50 years	50 to 60 years	Above 60 years	Male	Female	13	1	-	4	10	-	12	2
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<p>Explanation for departure :</p>																																																	
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<p>Measure :</p>																																																	
<p>Timeframe :</p>																																																	

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.

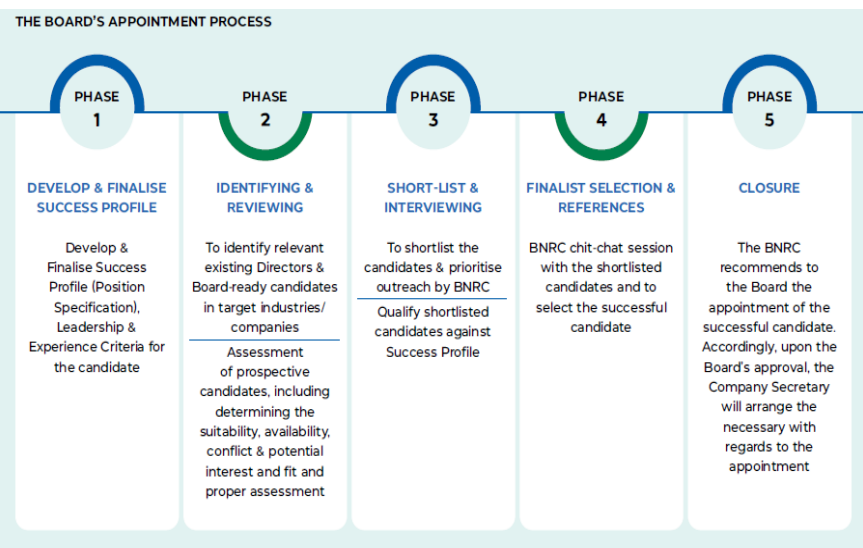
If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

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) of the Company's Constitution 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 and the Executive Director.</p> <p>The selection of candidates and appointment of Independent Non-Executive Director by the Board/BNRC are made with the assistance of independent consultant, whenever necessary.</p> <p>As at the date of this report, there are 11 members on the Board; one (1) Executive Director and 10 Non-Executive Directors, six (6) of whom are Independent Directors.</p> <p>These Independent Directors are considered by the Board to be independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.</p>

In this process the BNRC develops and finalises the Key Success Criteria for Director having considered the current Board Skills and Experience Matrix, the essential skills, experience, age, ethnicity, gender and other relevant criteria required to drive the strategic direction of the Company, with the aim to close the gap and to further strengthen the Board's composition.

The BNRC identifies and reviews the potential candidates which are sourced internally and through external/independent sources with reference to the Key Success Criteria. The BNRC then shortlists the candidates. The suitability, availability, conflict and potential interest of the potential candidates are to be analysed by the BNRC.

The BNRC conducts engagement sessions with the short-listed candidates, fit and proper assessment as well as any issues relating to conflict of interest, prior to submitting its recommendation to the Board. The BNRC shall recommend to the Board the proposed appointment of the successful candidate. The Company Secretary, with the authorisation by the Board, will arrange the necessary with regards to the appointment accordingly.



Following the BNRC's recommendation, the Board approved measures to enhance the Board's composition for greater dynamism. All Directors appointed during the Financial Year under review possess the requisite skills, aligning with the strategic needs of the Company.

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.

	Detailed Board's appointment process by the Board and the Special Shareholder are available in the Board Charter on the Company's 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

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 the 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>Tan Sri Abdul Razak bin Abdul Majid, Muazzam bin Mohamad and Ong Ai Lin 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 the Directors' performance are used as basis in recommending their re-election to the shareholders. This, in turn, is determined through their annual evaluation assessment 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 Ong Ai Lin, the Senior Independent Non-Executive Director (SID) who is retiring at the coming 36th AGM, the Board/BNRC were satisfied that she had complied with the independence criteria as prescribed by the MMLR and had fulfilled her duties as SID and continued to bring independent and objective judgement to the Board.</p> <p>They continued to exercise their duty of care and diligence as Directors in the best interest of the Company, its shareholders and stakeholders. Through the Board Effectiveness Assessment for FY2025, the retiring Directors on average, had received excellent rating, and had met the</p>

	<p>performance criteria required of an effective and high-performance Board.</p> <p>Tan Sri Abdul Razak bin Abdul Majid is the Non-Independent Non-Executive Chairman and an Appointed Director by Minister of Finance (Incorporated) (MoF Inc.). While Muazzam bin Mohamad is a Non-Independent Non-Executive Director who represents Permodalan Nasional Berhad on the Board.</p> <p>In respect of the new appointment made to the Board prior to the upcoming AGM, Datuk Ir. Ts. Shamsul bin Ahmad shall retire at the forthcoming AGM in accordance with Clause 63(2) of the Company's Constitution and being eligible, have offered himself for re-election. Datuk Ir. Ts. Shamsul bin Ahmad is an Appointed Director of MoF Inc.</p> <p>Based on the declaration of conflict of interest by the retiring Directors, the respective Directors shall take necessary mitigation plan/measures to address the 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. They will recuse themselves from participating in any discussions pertaining to the matters involving the interest of respective Companies with TNB Group and will abstain from deliberation and voting on such matters at the Board and Board Committees' meetings.</p> <p>Having considered their fit and proper assessment including declaration of conflict of interest, due diligence for the newly appointed Director, professionalism, vast experience, material relationship, competency, commitment and individuals' contributions in performing their respective duties, the Board and the BNRC were satisfied that all Directors who are standing for re-election at the 36th AGM have met the Board's expectation by continuously discharging their duties diligently as Company Directors.</p> <p>With that, upon the BNRC's assessment, the Board resolved to support and recommend the re-election of each Director who is retiring at the upcoming 36th AGM.</p> <p>The details and justification for re-election are included in the Explanatory Notes to the Notice of 36th AGM.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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 Juniwati Rahmat Hussin, an Independent Non-Executive Director with effect from 26 September 2024. Currently she is well supported by four (4) members of whom are, Datuk Ramzi bin Mansor, Muazzam bin Mohamad, Gopala Krishnan K.Sundaram, and Dato' Merina binti Abu Tahir. The BNRC is comprised of majority of Independent Non-Executive Directors.	
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 diversity, recognizing its critical role in the efficient functioning and good governance of the Board. The appointments of the current Directors were made based on their skills, experience, competency, and extensive knowledge, including gender diversity.</p> <p>As at the date of this report, four (4) women Directors constitute 36% of the Board, which surpasses the 30% benchmark recommended by the MCCG.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied																																																				
Explanation on application of the practice	:	<p>The Board remains deeply committed to promoting diversity for the Board and senior management. Annual reviews are conducted to evaluate and implement recommendations on diversity for these crucial roles. Recognizing the continuous need for advancement, this commitment extends beyond the Board level to include the Senior Leadership tier.</p> <p>Currently, there are four (4) women Directors on the Board, constituting 36%, which surpasses the 30% benchmark recommended by the MCCG. Within the broader organisation, women comprise 21% of the workforce. Gender balance varies across roles, geographies, and bands, with female representation in our Top Management leadership standing at 28%. For the past few years, TNB has implemented robust Succession Management Framework that ensures a diverse pool of successors, including female talents. This initiative drives the development of women's leadership capabilities within TNB.</p> <p>The table below shows the gender diversity of the Board and Top Management as at 31 December 2025:</p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="4">Gender</th> <th rowspan="2">Total</th> </tr> <tr> <th>Male</th> <th>%</th> <th>Female</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>TNB Board (excluding Alternate Director)</td> <td>8</td> <td>67%</td> <td>4</td> <td>33%</td> <td>12</td> </tr> <tr> <td>Top Management (GEMC, C-Suite, Senior General Managers & General Managers)</td> <td>299</td> <td>72%</td> <td>116</td> <td>28%</td> <td>415</td> </tr> <tr> <td>Senior Managers</td> <td>711</td> <td>65%</td> <td>389</td> <td>35%</td> <td>1,100</td> </tr> <tr> <td>Managers</td> <td>1,504</td> <td>60%</td> <td>1,023</td> <td>40%</td> <td>2,527</td> </tr> <tr> <td>Executives</td> <td>1,557</td> <td>54%</td> <td>1,301</td> <td>46%</td> <td>2,858</td> </tr> <tr> <td>Non-Executives</td> <td>17,156</td> <td>86%</td> <td>2,827</td> <td>14%</td> <td>19,983</td> </tr> <tr> <td>Total</td> <td>21,235</td> <td>79%</td> <td>5,660</td> <td>21%</td> <td>26,895</td> </tr> </tbody> </table>	Category	Gender				Total	Male	%	Female	%	TNB Board (excluding Alternate Director)	8	67%	4	33%	12	Top Management (GEMC, C-Suite, Senior General Managers & General Managers)	299	72%	116	28%	415	Senior Managers	711	65%	389	35%	1,100	Managers	1,504	60%	1,023	40%	2,527	Executives	1,557	54%	1,301	46%	2,858	Non-Executives	17,156	86%	2,827	14%	19,983	Total	21,235	79%	5,660	21%	26,895
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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

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

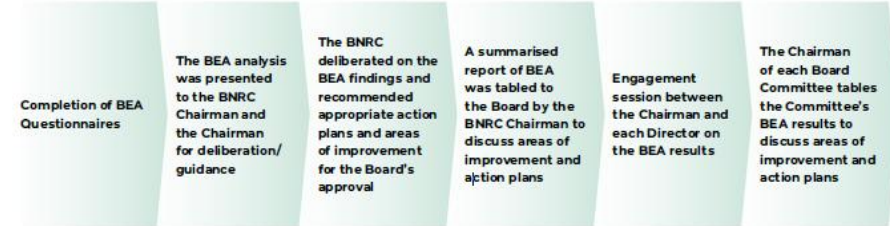
Practice 6.1

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 recognises its pivotal role in enhancing overall effectiveness and, in turn, delivering sustainable value to the Company. This commitment is reflected through the conduct of annual performance evaluations, thoughtfully structured induction programmes for newly appointed Directors, and a continuous stream of Board development initiatives.</p> <p>TNB fully supports Practice 6.1 of the MCCG, which recommends that Large Companies engage independent experts at least once every three (3) years to facilitate objective and candid Board evaluations. In line with this recommendation, the previous Board Effectiveness Assessment facilitated by an independent external expert was conducted in Financial Year 2023.</p> <p>The 2025 Board Effectiveness Assessment (BEA) was conducted internally and facilitated by the Company Secretary through a comprehensive set of online questionnaires.</p> <p>The 2025 BEA questionnaires comprised the following components:</p> <ul style="list-style-type: none">• Assessment of Overall Board Effectiveness• Assessment of the Chairman of the Board• Assessment of each Board Committee and its respective Chairman• Individual Directors' Self and Peer Assessment (SPA) <p>The overall effectiveness of the Board was assessed across the following key areas:</p> <ul style="list-style-type: none">• Corporate Strategy and Direction Setting• Board Governance and Oversight• Board Committees' Relevance• Board Dynamics and Composition

	<ul style="list-style-type: none"> • Board Management and Operations • Board’s key priorities <p>Each Board Committee was evaluated in terms of its structure and processes, accountabilities and responsibilities, as well as its composition and dynamics. The effectiveness of the respective Chairmen of the Board Committees was also assessed.</p> <p>The Directors’ SPA framework, assesses each member’s contribution, performance, calibre, and personal attributes, including the skills, experience, and qualities brought to the Board and respective Committees.</p> <p>Based on the 2025 BEA results, the Board continued to demonstrate solid performance, achieving excellent average rating across key effectiveness indicators.</p> <p>The Directors’ SPA results reflected excellent average ratings, indicating that each Director was generally effective in discharging his or her responsibilities and contributing meaningfully to Board deliberations.</p> <p>Similarly, the respective Board Committees and their Chairmen achieved excellent average ratings, demonstrating that members of the Committees had effectively discharged their roles in accordance with their respective Terms of Reference (TORs). The Committees were assessed as adding significant value to the Board and the Company, with members possessing the requisite qualifications, skill sets, competencies, knowledge, and expertise necessary to contribute to the overall effectiveness of the respective Committees.</p> <p>Building upon insights from the 2024 BEA, the Board continued to exhibit strong and effective leadership in 2025. The assessment highlighted a clear distinction in the roles and responsibilities of the Chairman and the President/CEO, reflecting robust governance practices and effective leadership in guiding the Company’s strategic direction. Tan Sri Abdul Razak bin Abdul Majid was rated as an excellent and effective Chairman, demonstrating decisiveness and an action-oriented approach, while fostering an open, consultative, and constructive Board environment.</p> <p>The Board was also regarded as effective in upholding the integrity of the Company, ensuring alignment with regulatory requirements, internal standards and best practices. The Directors remained steadfast in fulfilling their fiduciary duties, including reviewing and monitoring the Group’s strategic plan, overseeing and evaluating the conduct and performance of the Group’s business and establishing sound risk management and internal control frameworks across the Group.</p> <p>Following the 2025 BEA outcomes, action plans were identified by the BNRC and subsequently approved by the Board on 26 February 2026. Key focus areas include the continued strengthening of oversight over the Company’s strategic direction, enhancements to the composition and scope of the respective Board Committees, and improvements to Board management and</p>
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	<p>operational processes, including the continuation of structured training programmes for Non-Technical Directors.</p> <p>These initiatives will be undertaken by the Board and Top Management to address identified areas for enhancement and to ensure the Board remains effective in discharging its roles and responsibilities in the best interests of the Company.</p> <table border="1" data-bbox="497 495 1385 685"> <thead> <tr> <th data-bbox="497 495 794 533">Responsibility and Conduct</th> <th data-bbox="794 495 1091 533">Process and Administration</th> <th data-bbox="1091 495 1385 533">Composition</th> </tr> </thead> <tbody> <tr> <td data-bbox="497 533 794 685"> <ul style="list-style-type: none"> Business strategy and governance and implementation oversight Risk management and integrity Implementation oversight and monitoring of strategies and policies </td> <td data-bbox="794 533 1091 685"> <ul style="list-style-type: none"> Board Charter and Committee TORs Agenda and frequency of meetings Sufficient information, availability and on a timely basis Culture and dynamics </td> <td data-bbox="1091 533 1385 685"> <ul style="list-style-type: none"> Diversity Competencies of the members Composition of Board and its Committees </td> </tr> </tbody> </table> <p>The BEA process for 2025 is summarised as follows:-</p> 	Responsibility and Conduct	Process and Administration	Composition	<ul style="list-style-type: none"> Business strategy and governance and implementation oversight Risk management and integrity Implementation oversight and monitoring of strategies and policies 	<ul style="list-style-type: none"> Board Charter and Committee TORs Agenda and frequency of meetings Sufficient information, availability and on a timely basis Culture and dynamics 	<ul style="list-style-type: none"> Diversity Competencies of the members Composition of Board and its Committees
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<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 7.1

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 Director 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.</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>Executive Director and Top Management Remuneration</u></p> <p>The remuneration structure for the Executive Director is designed to align rewards with both corporate and individual performance outcomes. The total compensation package comprises salary, allowances, performance-based bonuses and customary benefits benchmarked against industry standards.</p> <p>A significant portion of the Executive Director's remuneration is variable and contingent upon annual performance against individual KPIs, as set out in a scorecard aligned with Board-approved corporate objectives. The Executive Director shall abstain from participating in any discussion or decision-making relating to his remuneration or rewards at Board meetings.</p>

The BNRC undertakes an annual performance evaluation of the Executive Director and submits its views and recommendations to the Board regarding any proposed adjustments to remuneration or rewards, taking into account the Executive Director's contributions to the Group's performance and achievements for the Financial Year.

Top Management's remuneration package comprises three (3) distinct components: the base salary, fixed allowances and benefits, the Short Term Incentive (STI) and the Long Term Incentive Plan (LTIP). The base salary is determined competitively, based on scope of responsibilities, experience, competencies, and expected performance. Fixed allowances are provided separately from the base salary to cover specific cash benefits.

The STI, contingent on annual performance, is disbursed as bonuses, contingent upon the Company's profitability and the performance of Top Management. Evaluation criteria include quantitative and qualitative targets alignment with the Company's values. The LTIP is designed to retain and reward Top Management, aligning their interests with the long-term success of the Company. The current LTIP scheme is no longer in effect due to expiry of the scheme on 29 April 2025.

TNB places strong emphasis on fostering a performance-driven culture. Its remuneration policy is designed to ensure competitive compensation for sustained high performance, while aligning management's interests with those of shareholders and the long-term success of the Company.

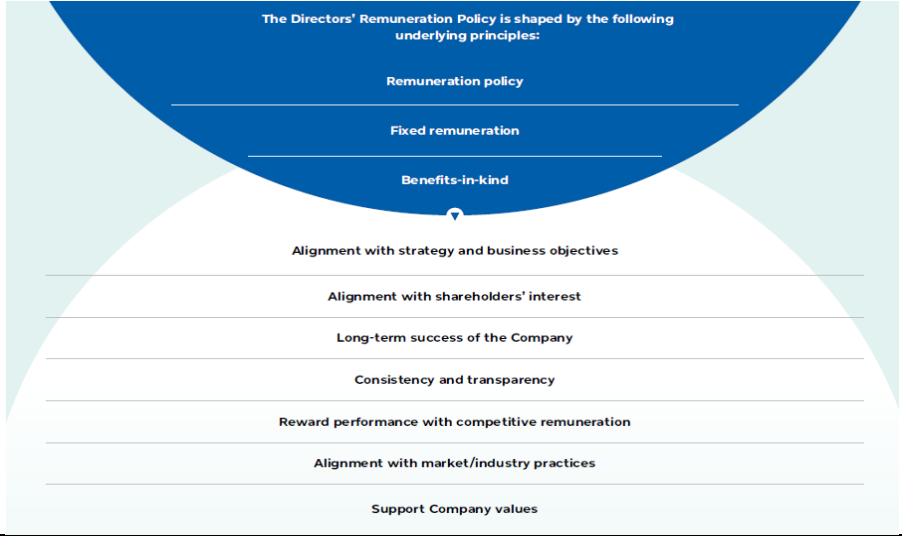
Non-Executive Directors' Remuneration

Non-Executive Directors receive remuneration in the form of fixed monthly fees, meeting allowances and benefits-in-kind, covering items among others, such as the reimbursement of medical, utilities bills, directors' perquisites, travelling and telecommunication.

The Non-Executive Directors' Remuneration is structured to reflect the complexity, responsibility and accountability of the Board's and the Board Committees' roles in complying with increasing regulatory demands, to be competitive and to retain the required talent as well as recognising their skills that are highly sought after and to ensure it reflects the time and effort dedicated by the Chairman and Directors as part of their roles on the Board and Board Committees. The remuneration structure takes into account the intricacies of the Company's operations and the industry at large.

In determining the estimated total amount of benefits payable to Non-Executive Directors, the Board considered various factors, of which include, meeting allowances based on the respective Board Committees' scope of responsibilities and accountabilities, the frequency of scheduled and ad-hoc Board and Board Committees' meetings, meetings of subsidiary boards and the number of Non-Executive Directors involved.

Details of each The TNB Board and Its Subsidiary Remuneration Policy together with the TNB Top Management Remuneration Framework are available on TNB's website:

	<p>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 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/President/CEO 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> <p>As at the date of this report, the BNRC Terms of Reference was updated as follows:</p> <p>(a) to enhance governance oversight of sustainability-related risks and opportunities (SRROs) as well as climate-related risks and</p>

	<p>opportunities (CRROs). This is aligned with TNB’s readiness in adopting the National Sustainability Reporting Framework (NSRF) and the related International Sustainability Standards Board (ISSB) Standards (IFRS S1 and IFRS S2).</p> <p>(b) to provide that sustainability-related key performance indicators (KPIs) be incorporated into the remuneration framework of the Executive Director and Senior Management, where appropriate, for recommendation to the Board.</p> <p>The BNRC Terms of Reference is available on TNB’s website: https://www.tnb.com.my/listings/corporate_governance/</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

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 directors' perquisites.</p> <p>The remuneration structure takes into account the intricacies of the Company's operations and the industry at large. Notably, the remuneration for Non-Executive Directors was last reviewed in 2025 and approved by the shareholders at the 35th AGM.</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 2025 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	Tan Sri Abdul Razak bin Abdul Majid	Non-Executive Non-Independent Director	374.65	97	-	-	93.56	-	565.21	614.65	118.5	-	-	93.56	-	826.71
2	Datuk Ir. Megat Jalaluddin bin Megat Hassan	Executive Director	-	-	1,560	1,040	27.64	1,756.66	4,384.30	-	-	1,560	1,040	27.64	1,756.66	4,384.30
3	Datuk Ramzi bin Mansor	Non-Executive Non-Independent Director	240	125.4	-	-	17.70	-	383.1	240	125.4	-	-	17.70	-	383.1
4	Selvendran Katheerayson (Resigned w.e.f. 30 September 2025)	Non-Executive Non-Independent Director	-	-	-	-	19.61	-	19.61	-	-	-	-	19.61	-	19.61
5	Mohamad Hanafi bin Salehuddin (Alternate Director Selvendran Katheerayson) (Appointed w.e.f. 28 August 2025 and cessation of office w.e.f. 30 September 2025)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Rohaya binti Mohamad Yusof	Non-Executive Non-Independent Director	240	138.35	-	-	29.46	-	407.81	240	138.35	-	-	29.46	-	407.81
7	Muazzam bin Mohamad	Non-Executive Non-	240	136.7	-	-	26.53	-	403.23	240	136.7	-	-	26.53	-	403.23

		Independent Director														
8	Ong Ai Lin	Independent Director	240	153.8	-	-	42.86	-	436.66	240	153.8	-	-	42.86	-	436.66
9	Juniwati Rahmat Hussin	Independent Director	240	171.90	-	-	16.62	-	428.52	240	171.90	-	-	16.62	-	428.52
10	Gopala Krishnan K.Sundaram	Independent Director	240	160.25	-	-	35.35	-	435.60	240	160.25	-	-	35.35	-	435.60
11	Dato' Merina binti Abu Tahir	Independent Director	240	177.95	-	-	42.67	-	460.62	240	177.95	-	-	42.67	-	460.62
12	Dato' Zulkifli bin Ibrahim)	Independent Director	240	163.40	-	-	83.53	-	486.93	240	163.40	-	-	83.53	-	486.93
13	Alan Hamzah Sendut	Independent Director	240	106.30	-	-	26.55	-	372.85	240	106.30	-	-	26.55	-	372.85
14	Elaine Ong Yee Lynn (Alternate Director to Selvendran Katheerayson) (Resigned w.e.f. 15 August 2025)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Effizal Faiz bin Zulkifly (Appointed w.e.f. 30 September 2025 and resigned w.e.f. 16 January 2026)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.	Mohamad Hanafi bin Salehuddin (Alternate Director to Effizal Faiz bin Zulkifly) (Appointed w.e.f. 30 September 2025 and cessation of office w.e.f. 16 January 2026)		-	-	-	-	-	-	-	-	-	-	-	-	-	-

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; andiii. Long Term Incentive. <p>Base Salary, Fixed Allowances and Benefits</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> 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> 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. The current LTIP scheme is no longer in effect due to expiry of the scheme on 29 April 2025.</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>TNB is currently reviewing its Top Management’s remuneration framework to ensure it aligns with market expectations.</p>
<p>Timeframe :</p>	<p>Others</p>

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
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 and she is not the Chairman of TNB. This requirement is also stipulated in the BAC's Terms of Reference which is accessible on TNB's 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	:	TNB has in place an External Auditors Policy, revised on 14 February 2022, which requires a former key audit partner to observe a cooling off period of at least three (3) years before being appointed as a member of the Committee. Additionally, the BAC's Terms of Reference also includes similar requirement for former partners of the Company's external audit firm or its affiliates firms. Currently, no BAC member has served as a key audit partner of TNB's External Auditor in the past three (3) years.
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>The BAC's Terms of Reference require the Committee to conduct an annual assessment on the suitability, objectivity, and independence of the external auditor to ensure the quality and reliability of audited financial statements.</p> <p>The BAC conducts the assessment based on TNB's External Auditors Policy, which covers:</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>The BAC oversees the appointment, remuneration, and removal of the external auditor through a structured annual evaluation of the auditor's performance, with a focus on the quality of services, sufficiency of resources, communication and interaction, and independence, objectivity and professional skepticism. The assessment also considers the information disclosed in the audit firm's Annual Transparency Report (ATR).</p> <p>The BAC also evaluates the independence and objectivity of external auditor through quarterly reviews of audit fees and non-audit services provided to TNB and the Group.</p> <p>During the year, the BAC held three (3) meetings with the external auditor without the presence of Management and Executive Directors to further strengthen the external auditor's independence.</p>

	<p>Additionally, the External Auditor confirmed to the Board their independence within the meaning of applicable laws and regulations.</p> <p>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 AGM.</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 entirely of Independent Directors in line with the provision set out in the BAC's Terms of Reference, 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. Dato' Zulkifli bin Ibrahim, Independent Non-Executive Directoriv. Alan Hamzah Sendut, Independent Non-Executive Director. <p>The membership details of the BAC for Financial Year 2025 are provided in TNB's Integrated Annual Report 2025 which is accessible at TNB's 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>The Audit Committee comprises members who collectively possess a broad range of skills, experience, and expertise necessary to effectively discharge their duties. The members also bring diverse professional backgrounds, including accountancy, computer science, economics, and engineering. Leveraging their knowledge and extensive experience, they are well equipped to comprehend matters within the BAC's purview and provide the Board with informed guidance on financial reporting, internal controls, risk management, and other audit-related matters.</p> <p>Three (3) members of the BAC i.e. Dato' Merina Abu Tahir, Ong Ai Lin, and Alan Hamzah Sendut are members of the Malaysian Institute of Accountants (MIA) as of 31 December 2025. Accordingly, the BAC fulfils the requirement set out in 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>To demonstrate its commitment to excellence, the BAC's TOR stipulates the following concerning members' skills and continuous 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 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.

The committee members have actively pursued continuous development to strengthen their knowledge and skills.

The BAC members have actively pursued continuous development to maintain and enhance their knowledge and skills. During the Financial Year under review, the BAC members also attended conferences and professional trainings related to Corporate Governance, economics, ESG/Sustainability/Climate Change/Industry Related, Finance, Strategy/Risk Related , Technology and others as follows:

Date	Conference/Training
Corporate Governance & Board Effectiveness	
15 January, 2025	PwC Board Agenda Series: PwC Malaysia & Corporate Directors Survey 2024
12 March, 2025	Board Leadership in Industry Disruption: Steering Companies Through Market Shifts
25 March, 2025	PwC Board Agenda Series: Diversity in debate
21 April, 2025	Accelerate @ ASB: Nominating Committees
8 May, 2025	Power, Progress, Possibility: Redefining Leadership Together
9 May, 2025	E-Invoicing and Its Impact on Directors
26 - 27 May 2025	MIA International Accountants Conference 2025
26 June, 2025	E-invoicing for Directors – walkthrough with EY Malaysia
9 July, 2025	She Leads - Global Women in Corporate Leadership Conference
8 September, 2025	Board simulation – Balancing risks & opportunity in sustainable leadership
17 September, 2025	Live Board Simulation 2025 – Strengthening Boardroom Decision Making in Times of Crisis
7 November, 2025	Seminar For Board of Directors Under Anti-Bribery Management System (ABMS)
24 November, 2025	Closed-Door Roundtable 2025 - Board Effectiveness and of Non-Independent Directors (NEDS)/ Independent Non-Executive Directors (INEDS)
26 November, 2025	Anti Bribery & Corruption training
27 November, 2025	In-House Training on Integrity and Governance: Building a Resilient Organisation
17 December, 2025	Fiduciary Compass for Modern Boards
Economics/Investment	
18 April, 2025	Tariffs, Contracts & Risk: What Every Malaysian Exporter & Supplier Must Know Now
25 April, 2025	Trump Turbulence: Future of Global Trade & Tax Policy

Date	Conference/Training
12 September, 2025	Geopolitics, supply chains & the risk multiplier effect
ESG/Sustainability/Climate Change/Industry Related	
9 January, 2025	Where Does Nuclear Energy Fit in the Energy Transition?
3 – 7 February 2025	INSEAD Business Sustainability Programme
5 March, 2025	Hong Leong Financial Group Berhad (HLFG) - Group In-House Directors' training on Moving from the recommendations of the Task Force on Climate-related Financial Disclosures to International Financial Reporting Standards (IFRS) S1 and IFRS S2
16 - 18 June 2025	Delivering Asia Energy Transition
18 - 20 June 2025	Japan Energy Summit & Exhibition 2025
25 July, 2025	CFO Circle Physical Event – Collaborative Leadership in Sustainability Reporting
28 July, 2025	Unlocking Capital for Sustainability Malaysia - Fostering Inclusive and Sustainable Growth for Asean
29 – 31 July 2025	SIDC-CASI SRI Conference 2025: Shaping the Future of ASEAN Business in Sustainability
6 August, 2025	How Did France Reach 70% Nuclear Energy? – Corporate Governance Malaysia (CGM) Nuclear webinar series: Episodes 3 & 4
2 September, 2025	In-House Training on Future-Proofing the Board: ISSB Standards and the Next Frontier of ESG Leadership
3 - 4 September 2025	Sustainable & Renewable Energy Forum SAREF 4.0
23 September, 2025	ASEAN Green Shift Forum
2 October, 2025	Driving Sustainable Organizations: Empowering Boards for Lasting Impact
4 November, 2025	In-House Training on Strategic Success on The Path to Net Zero
Finance/Banking/Audit Oversight	
10 - 11 April 2025	National Climate Governance Summit 2025
16 April, 2025	Tax Corporate Governance (TCG) Leadership Forum
30 June, 2025	In-House Training on Shariah Screening and Cryptocurrency
4 September, 2025	In-House Training on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Training
9 - 10 September 2025	ACIIA Conference 2025 - Internal Audit in a Polycrisis Era: Adapting, Assuring and Advancing
17 September, 2025	Integrated Assurance Colloquium 2025

	Date	Conference/Training
	30 September, 2025	In-House Training on Basel III Requirements
	22 October, 2025	2026 Budget And Tax Conference
	20 November, 2025	PNB Fireside chat with Investee Companies – guest speaker Tan Sri Azman Mokhtar
	Strategy/Risk Related	
	24 October, 2025	What it takes: Southeast Asia - Charting the Region's Path from the Periphery to the Core of Global Consciousness
	Technology/Digital/Cybersecurity	
	13 February, 2025	Charting the Path of AI: A Fireside Chat with Sam Majid, Head of the National AI Office (NAIO)
	17 April, 2025	MIA Digital Month - Technology in Practice: Artificial Intelligence
	23 April, 2025	MIA Digital Month: Building Trust and Managing Risks in AI
	13 May, 2025	PwC AI Leadership Conference 2025
	8 July, 2025	Business Strategic Management Program
	6 - 7 October 2025	Khazanah Megatrends Forum 2025
	21 October, 2025	PNB Knowledge Forum 2025
	22 October, 2025	2026 Budget And Tax Conference
	26 November, 2025	In-House Training on Cybersecurity & Emerging Technology Risk
	Others (Personal Development, Communication, etc)	
	28 April, 2025	Mind Matters: Mental Wellbeing in the workplace
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 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>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 293 to 300 of the Integrated Annual Report 2025.</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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board Sustainability and Risk Committee (BSRC) assists the TNB Board in fulfilling its responsibilities by overseeing the robustness and effective implementation of the Group's sustainability and risk management framework, policy, strategy and initiatives to achieve business objectives and sustainability commitments.</p> <p>As at the date of this report, the BSRC comprises majority of Independent Directors, as follows:</p> <ul style="list-style-type: none">• Ong Ai Lin, Senior Independent Non-Executive Director (Chairman)• Muazzam bin Mohamad, Non-Independent Non-Executive Director• Gopala Krishnan K.Sundaram, Independent Non-Executive Director• Dato' Zulkifli bin Ibrahim, Independent Non-Executive Director <p>The BSRC is guided by its TOR as follows:</p> <p>(a) <u>Sustainability</u></p> <ul style="list-style-type: none">• Deliberate and recommend the sustainability strategy, framework and policy for the Board's approval.• Oversee on the implementation of the sustainability strategy, framework and initiatives.• Take sustainability and climate-related risks and opportunities as well as dependencies and its impacts into consideration when deliberating the sustainability strategy to ensure its effective deployment and execution Group wide.• Oversee of the Group's sustainability key performance against approved strategies and targets.• Review and provide input on the adequacy of resources, budgets, and investments allocated for sustainability initiatives, and to advise the Board on their alignment with the Group's sustainability goals and commitments.• Review and recommend for Board's approval the Group sustainability disclosures required by Bursa Malaysia.• provide advice on the disclosures in the TNB Sustainability Report prior to publication to external stakeholders.

	<p>(b) <u>Risk</u></p> <ul style="list-style-type: none"> • Deliberate and recommend for the Board’s approval of the risk management framework and policy. • Oversee the effectiveness of the Group's enterprise risk management, ensuring that material risks are appropriately assessed, managed and monitored. • Deliberate the Group’s strategic and emerging risk exposures through timely and regular reports and ensure the implementation of appropriate measures to manage these risks. It has the authority to direct special investigations, on behalf of the Board, into material risk exposures, as and when necessary. • Approve the Group’s risk appetite and ensure that actions are taken in a timely manner when risks are outside tolerable ranges. • Co-review with the Board Audit Committee and recommend for Board’s approval the Statement of Risk Management and Internal Control disclosure required by Bursa Malaysia. <p>(c) Jointly appraise the performance of the Group’s risk management function and Chief Risk Officer together with TNB President/CEO.</p>
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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>The Board has established the Group Internal Audit Department (GIA) to act as the internal audit function for TNB. The purpose of GIA is to create, protect, and sustain value by providing BAC and management with independent, risk-based, and objective assurance, advice, insight, and foresight.</p> <p>GIA is headed by the Chief Internal Audit (CIA), Lizah Abd Wahab, who reports functionally to the BAC and administratively to TNB's President/CEO.</p> <p>The BAC approves the Group Internal Audit Charter which sets out the mandate, organizational position, reporting relationships, scope of work, types of services, and other specifications relating to GIA. The Charter is reviewed annually to ensure relevance and that GIA continues to meet its objective.</p> <p>The CIA declares GIA's independence status on an annual basis to BAC.</p> <p>The BAC reviews GIA's performance on a quarterly basis through its achievement reports and approves the CIA's performance management results.</p> <p>For the Financial Year 2025, GIA conducted a total of 65 planned audits, comprising seven (7) thematic audits and 58 non-thematic audits.</p> <p>GIA issued internal audit reports to the Management, highlighting audit observations, impact, issues, root causes, recommendations, and corrective actions in areas with significant risks and internal control deficiencies. The audit findings were tabled to the BAC for deliberation.</p> <p>Additionally, TNB's state of internal controls for the areas reviewed was tabled to the BAC for deliberation, with the presence of Management to provide responses and progress updates on business process improvements identified by GIA.</p> <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 2025.</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 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>GIA is headed by 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 reports functionally to the BAC and administratively to the President/ CEO, ensuring its independence and objectivity are maintained.</p> <p>For Financial Year 2025, the CIA and GIA personnel are free from any relationships and conflict of interest situations, which could impair their independence and objectivity.</p> <p>GIA has in place robust processes to manage, disclose, and report conflict of interest, ensuring transparency and accountability.</p> <p>As of 31 December 2025, GIA comprised a total of 64 auditors from diverse disciplines namely accounting, finance, business, engineering, quantity surveying, system and data analytics, and information technology.</p> <p>Additionally, 27 GIA staff members hold various professional certifications, reflecting their commitment to professional development and contributing to GIA’s collective expertise, credibility, and performance, as follows:</p> <ul style="list-style-type: none">• Certified Internal Auditor (11),• Certified Information System Auditor (5),• Certification in Risk Management Assurance (3),• Certified Fraud Examiner (1),• Association of Chartered Certified Accountants (3),• Chartered Institute of Management Accountants (1),• Chartered Accountants - Malaysia (3),• Professional Engineer (3),

	<ul style="list-style-type: none"> • Professional Technologist (12), • Chartered Manager (1), • CISCO Certified Network Associate (3), • Information Technology Infrastructure Library (4), and • Certified COBIT 5 (4). <p>GIA conducts its activities in accordance with International Professional Practices Framework for the internal auditing profession issued by the Institute of Internal Auditors, which comprises the Global Internal Audit Standards (GIAS), Topical Requirements, Global Guidance.</p> <p>Additionally, GIA conducts an annual internal assessment to review conformance of its activities to GIAS and effectiveness of its audit processes, and an external assessment by an independent external assessor once every five (5) years, as required by GIAS.</p> <p>GIA is also guided by 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 2025.</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 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.</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>Building trust with the investment community is supported through structured engagement and clear, timely communication. Throughout 2025, against a backdrop of ongoing changes in the energy sector, the Group continued to articulate its business growth strategy, highlighting its commitment to sustainability and its role in supporting national sustainability aspirations. Engagement efforts focused on key developments and financial performance, with care taken to ensure balanced and equitable disclosure of both financial and non-financial information.</p> <p>The Investor Relations function serves as the primary interface between Senior Management and the investment community. Through coordinated engagements, the team facilitates open dialogue, promotes transparency and supports informed understanding of the Group's strategic direction and performance, thereby strengthening investor confidence.</p>

To support consistent and effective communication, the Group makes use of a range of established channels, including:

- Quarterly and Full Year Financial Results Announcements;
- Engagement sessions with the investment community through one-to-one/group meetings, investor conferences, and Non-Deal Roadshows;
- Annual General Meeting;
- Bursa Malaysia filings and Press Releases;
- Regular email updates to the investment community;
- Technical visits to TNB power plants and Substations for investors;
- TNB corporate website’s Investor Relations section;
- Annual Integrated and Sustainability Reports.

Sustained communication plays an important role in keeping existing and prospective investors informed of strategic priorities, financial results, technical progress and other key developments, as reflected in the “Investment Community Feedback” section.

Information for the investment community is made readily accessible through the Investor Relations section of the corporate website at www.tnb.com.my, which provides financial data, announcements and investor presentations. Enquiries may also be directed to the Investor Relations team at tenaga_ird@tnb.com.my.

During the year, more than 1,000 engagements were conducted with analysts and investors through various platforms. These included participation in conferences, domestic and international roadshows, site visits, one-to-one and group meetings, analyst briefings and other structured communication sessions. These engagements supported ongoing dialogue with the investment community and contributed to clearer understanding of the Group’s performance, outlook and strategic direction.

No.	Event	Date
1.	CGSI 17 th Annual Corporate Malaysia Day 2025	7 January 2025
2.	Morgan Stanley: Deepseek, Malaysia and TNB: What’s Ahead in 2025	17 March 2025
3.	HSBC Global Investment Summit 2025 (Hong Kong)	25 – 26 March 2025
4.	RHB ASEAN Investment Conference 2025	9 April 2025
5.	Morgan Stanley Non-Deal Roadshow (Singapore)	17 April 2025
6.	Dialogue Session: RE Developments and Energy Transition in Malaysia	23 April 2025
7.	CGSI and Affin Hwang Non-Deal Roadshow (China and Hong Kong)	17 – 20 June 2025
8.	Briefing on New Tariff Structure to Analysts and Investors	1 July 2025
No.	Event	Date

9.	Maybank IBG Invest Malaysia & Invest ASEAN 2025	3 July 2025
10.	J.P. Morgan ASEAN Energy & Utilities Forum	15 July 2025
11.	Macquarie Malaysia Data Centre Day	16 July 2025
12.	CGSI Luncheon Power Demand DC Discussion	22 July 2025
13.	MBSB/MIDF and its clients - Technical Visit to Jimah East Power	24 July 2025
14.	Technical Visit to Spark Renewables	30 July - 1 August 2025
15.	Bank of America (BofA) 2025 Asia Pacific Conference (Hong Kong)	8 September 2025
16.	32 nd CITIC CLSA Investors' Forum 2025 (Hong Kong)	9 September 2025
17.	Nomura Non-Deal Roadshow (Japan)	11 – 12 September 2025
18.	TA Securities – Expert Talk on Nuclear Energy Potential in Malaysia	23 September 2025
19.	J.P. Morgan Non-Deal Roadshow (USA)	1 – 6 October 2025
20.	UOB Kay Hian's New Green Economy Conference 2025	7 October 2025
21.	J.P. Morgan Forum Malaysia	13 October 2025
22.	UBS Non-Deal Roadshow (UK/Europe)	20 – 24 October 2025
23.	Kenanga Research's Clean Energy Roundtable	21 October 2025
24.	CIMB Securities: Technical Visit to PMU Bukit Unggul 500kV	29 October 2025
25.	CITI 2025 ASEAN Summit: Kuala Lumpur Edition	2 December 2025

Based on Investor Relations' engagement sessions with the investment community, the primary areas of interest include:

- Business strategy and performance
 - Overall demand growth (including from data centres)
 - Grid readiness to support demand growth and NETR
 - Generation business and operations
- National Energy Transition Roadmap (NETR)
 - Flagship catalyst projects
 - Energy exchange
- Regulatory framework
 - Incentive Based Regulation Regulatory Period 4 (IBR RP4)
 - Contingent Capex recovery mechanism
 - Automatic Fuel Adjustment (AFA) mechanism

	<ul style="list-style-type: none"> ➤ Tariff reform • Energy Transition (ET) Plan initiatives and progress <ul style="list-style-type: none"> ➤ Decarbonisation plan ➤ Renewable energy growth opportunities ➤ Capital expenditure plan for ET ➤ ASEAN Power Grid initiative ➤ Carbon tax implementation • Financial management <ul style="list-style-type: none"> ➤ Financial sustainability and return ➤ Working capital management initiatives ➤ Gearing and financial position ➤ Dividend <p>For ease of reference and to better facilitate the stakeholders' understanding of the Company's business and the governance policies, various documents pertaining to the organisation, Board and Top Management, corporate governance, the Constitution, policies, the Board Charter, 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 228 of the Integrated Annual Report 2025 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>In support of the Company's commitment to a sustainable future, TNB also aligns its strategic initiatives with key Sustainable Development Goals which reflect TNB's core priorities and underscore the efforts to drive positive change, foster inclusive growth, and create long-term value for all stakeholders.</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> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th style="text-align: left;">Key Frameworks Applied</th> <th style="text-align: center;">IR</th> </tr> </thead> <tbody> <tr> <td>International Financial Reporting Standards (IFRS®)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>International Integrated Reporting Framework (January 2021) under IFRS Foundation</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Malaysian Code on Corporate Governance 2021 by the Securities Commission Malaysia (MCCG)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Bursa Malaysia's Corporate Governance Guide (4th Edition)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Companies Act 2016</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Malaysian Financial Reporting Standards (MFRS)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>National Sustainability Reporting Framework (NSRF)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>IFRS Sustainability Disclosure Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Sustainability Accounting Standards Board (SASB) Standards</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Sustainability Reporting Guide by Bursa Malaysia</td> <td style="text-align: center;">●</td> </tr> <tr> <td>Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021</td> <td style="text-align: center;">●</td> </tr> <tr> <td>FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) Indicators</td> <td style="text-align: center;">●</td> </tr> <tr> <td>GHG Emissions Assessment: GHG Protocol Corporate Accounting and Reporting Standard, Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, GHG Protocol and Clean Development Mechanism (CDM)</td> <td style="text-align: center;">●</td> </tr> </tbody> </table>	Key Frameworks Applied	IR	International Financial Reporting Standards (IFRS®)	●	International Integrated Reporting Framework (January 2021) under IFRS Foundation	●	Malaysian Code on Corporate Governance 2021 by the Securities Commission Malaysia (MCCG)	●	Bursa Malaysia's Corporate Governance Guide (4 th Edition)	●	Companies Act 2016	●	Malaysian Financial Reporting Standards (MFRS)	●	National Sustainability Reporting Framework (NSRF)	●	Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)	●	IFRS Sustainability Disclosure Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)	●	Sustainability Accounting Standards Board (SASB) Standards	●	Sustainability Reporting Guide by Bursa Malaysia	●	Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021	●	FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) Indicators	●	GHG Emissions Assessment: GHG Protocol Corporate Accounting and Reporting Standard, Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, GHG Protocol and Clean Development Mechanism (CDM)	●
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	<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 Statement details the manner in which TNB creates value for our stakeholders, focusing on our environmental, social, economic and governance imperatives.</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 13.1

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 the shareholders are given sufficient notice and ample time to consider the resolutions that will be tabled and discussed at the AGM. The AGM Notice includes explanatory notes that contain further information on the proposed resolutions.</p> <p>TNB hosted its inaugural hybrid 35th Annual General Meeting (AGM) on 22 May 2025, in accordance with Paragraph 8.27A of the MMLR and Practice 13.3 of the MCCG, which encourage listed issuers to leverage technology in conducting general meetings to facilitate voting and enable remote shareholder participation. The Notice of AGM was despatched to shareholders on 23 April 2025. The requirement for at least 28 days' notice was fulfilled in support of the MCCG. In addition, TNB distributed the Administrative Details together with the Notice of the AGM, providing shareholders with information regarding the details of the AGM, their right to appoint a proxy and guidance on attending the hybrid AGM either physically at the Meeting Venue or virtually via remote participation and electronic voting facilities. The explanatory notes in the Notice of AGM provided detailed explanations on each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>The 35th AGM Notice was also published in New Straits Time (NST) and Berita Harian newspapers and made available on the Company's website.</p> <p>In support of sustainability and digital engagement, beginning FY2024, TNB distributed electronic postcards containing QR code to shareholders via email. The QR code provided access to documents in relation to the 35th Annual General Meeting (AGM), of which were Notice of 35th AGM, Administrative Details of 35th AGM, Integrated Annual Report 2025, Proxy Form and Requisition Form. For shareholders without registered email addresses, the postcards were dispatched by mail to ensure continued accessibility.</p> <p>All documents were also made available on the Company's website within the prescribed timeframe, in compliance with regulatory requirements and to facilitate timely access for shareholders.</p> <p>The additional time given to shareholders to allow them to make the necessary arrangements to attend and participate in the AGM, either</p>

	physically at the Meeting Venue or remotely via the Remote Participation and Electronic Voting (RPEV) facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors attended the 35th AGM, including the Chairmen of BAC, BSRC and BNRC. The Engagement Partner of PricewaterhouseCoopers PLT (PwC) was also in attendance at the AGM to answer shareholders' questions on the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of auditors in the audit process.</p> <p>There were 12 Directors who physically present at the Meeting Venue in accordance with the SC's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers for the convening hybrid meetings.</p> <p>The Directors who attended the 35th AGM are as follows:</p> <ol style="list-style-type: none">1. Tan Sri Abdul Razak bin Abdul Majid – Chairman2. Datuk Ir. Megat Jalaluddin bin Megat Hassan – President/CEO3. Datuk Ramzi bin Mansor4. Selvendran Katheerayson5. Rohaya binti Mohammad Yusof6. Muazzam bin Mohamad7. Ong Ai Lin – Senior Independent Non-Executive Director8. Juniwati Rahmat Hussin9. Gopala Krishnan K.Sundaram10. Dato' Merina binti Abu Tahir11. Dato' Zulkifli bin Ibrahim12. Alan Hamzah Sendut <p>The Key Senior Management also attended the AGM physically at the Meeting venue to provide the necessary support during the proceedings.</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 13.3

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 35th AGM was conducted in a hybrid mode in line with the media release issued by the Securities Commission Malaysia (SC) and Bursa Malaysia Berhad on 30 August 2024, which requires all public listed companies (PLCs) to conduct general meetings in either a hybrid or physical format effective 1 March 2025, enabling shareholders to attend either physically at the Meeting Venue or virtually. This requirement will apply to all general meetings of PLCs on the Main and ACE Markets of Bursa Malaysia held from 1 March 2025.</p> <p>During the Financial Year 2025, TNB has a total over 95,000 shareholders excluding proxies. As such, full physical meeting may be challenging given limited capacity of the meeting venue.</p> <p>TNB leveraged on technology to facilitate shareholder participation through live streaming and online voting via the RPEV platform, provided through the Boardroom Smart Investor Portal (BSIP) while also providing shareholders with the option to attend physically at the Meeting Venue. Shareholders participating remotely were provided with similar opportunities as those attending physically, including the ability to view the presentation on the Company's financial, technical and operational highlights delivered by the President/CEO, as well as to vote and raise questions during the meeting.</p> <p>A dedicated link was made available on TNB's website within a stipulated timeframe to provide shareholders with the necessary information to attend the meeting, including guidance on participation via the RPEV platform. Proactive measures were put in place to address any infringement of data privacy and potential cyber threats during the AGM. The Company's Share Registrar had in place due processes to ensure that only registered shareholders and duly appointed proxies were allowed to attend and participate in the meeting.</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</p>

	<p>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><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 13.4

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 35th AGM, the Chairman briefed shareholders and proxies present at the meeting on their rights to raise questions and vote on the resolutions set out in the Notice of the 35th AGM dated 23 April 2025. The Chairman also informed that the AGM was conducted in hybrid mode, whereby shareholders attended either physically at the Meeting Venue or virtually via the online platform using the RPEV facilities, in accordance with Section 327 of the Companies Act 2016. Based on the registration data provided by the Company's Share Registrar, 4,332 shareholders and proxies participated in the hybrid AGM, of which 2,332 attended physically at the Meeting Venue and 2,000 attended virtually via the RPEV platform.</p> <p>Shareholders were able to submit questions during the 35th AGM live streaming via the BSIP at https://investor.boardroomlimited.com. Shareholders participating remotely could also submit questions in advance on the resolutions tabled at the 35th AGM and the Integrated Annual Report 2024 via the BSIP platform prior to the meeting. Shareholders attending physically were provided with the option to submit questions by scanning the QR code made available at the Meeting Venue or by raising questions directly during the meeting.</p> <p>Both the Chairman and P/CEO, in their welcoming address and presentation to shareholders, shared updates on TNB's performance for the Financial Year ended 31 December 2024, including financial and operation, dividend pay-out, sustainability commitment and national development and 2025 forward guidance. P/CEO also expressed appreciation to stakeholders for their continued support and reaffirmed TNB's commitment to long-term value creation. A copy of the presentation is also made available on TNB's website at 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 P/CEO, Chief Financial Officer and the Company Secretary at the meeting. In addition, the replies to the Minority Shareholders Watch Group (MSWG) questions were included in the presentation.</p> <p>To ensure effective communication with the shareholders at the AGM, questions posted 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 posted by the shareholders covered areas amongst others on governance, financials, strategy and growth, business outlook, operations and ESG. All responses were available in the Minutes of the 35th 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>	
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 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 35th AGM was conducted in hybrid mode, enabling shareholders to attend either physically at the Meeting Venue located at Pusat Konvensyen Leo Moggie, TNB Platinum, No. 3 Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur, or participate remotely via RPEV facilities through the Boardroom Smart Investor Portal (BSIP). The Company has put in place the required infrastructure and technological tools to support the smooth conduct and broadcast of the AGM proceedings, including adequate bandwidth capacity and contingency arrangements to address any unforeseen circumstances. Based on the registration data given by Boardroom Share Registrars Sdn. Bhd., a total of 4,332 shareholders and proxies had participated in TNB Hybrid 35th AGM, of which 2,332 members attended physically at the Meeting Venue and 2,000 members attended via Online Platform. They represented 3,492,950,055 ordinary shares which constituted 59.92% of the total issued shares of the Company.</p> <p>TNB also leveraged technology to facilitate shareholder participation and engagement during the AGM. Shareholders and proxies participating remotely were able to view the live streaming of the AGM proceedings, submit questions to the Board and Management via the messaging window facility, and cast their votes electronically in real time through the BSIP platform. Shareholders attending physically were also able to submit questions by scanning the QR code provided at the Meeting Venue to access the messaging facility or by raising questions directly during the meeting and were able to participate in the deliberations and voting process. Questions could be submitted in advance via the BSIP platform prior to the AGM by shareholders participating remotely, as well as during the meeting through the messaging window facility, which was made available one (1) hour before the commencement of the AGM. Guidance on participation and submission of questions was provided in the Administrative Details of the 35th AGM.</p>

	<p>All pertinent questions posted 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 questions to ensure meaningful engagement with the Board and Management. For questions that have yet to be addressed during the 35th AGM, shareholders may pass the questions to TNB's personnels in the hall or email to the Investor Relations Department and the officer shall provide the responses accordingly.</p> <p>Electronic voting was conducted by way of poll using the RPEV facilities managed by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. Guidance on the voting procedures was provided in the Administrative Details of the 35th AGM, complemented by a presentation on the voting process during the AGM. Shareholders attending virtually were able to cast their votes electronically via the BSIP platform, whilst shareholders attending physically were able to vote using their personal devices or via polling kiosks provided at the Meeting Venue. Voting was opened from the commencement of the AGM until the Chairman declared the closure of the voting session.</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>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 35 th AGM held on 22 May 2025 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 21 June 2025.
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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