

NOTICE TO INVESTEE COMPANIES

As part of PNB's unceasing efforts and pledge in enhancing our investment stewardship role, we would like to update the investee companies on recent refinements to our voting guidelines as well as the establishment of the PNB Labour Rights Policy for the reference and attention of the Board and Management of your respective organisation.

Amendments to the Bursa Listing Requirements ("LR")

Bursa Malaysia had introduced new amendments to the LR in January 2022, which includes amongst others, limiting the tenure of an Independent Director ("ID") to not more than a cumulative period of 12 years from the date of such person's appointment as an ID in the applicant, listed issuer or any one or more of its related corporations.

Refinement of Voting Guidelines of PNB ("PNB VG")

In relation to this, PNB has refined and improved its voting guidelines to provide clarity in its calculation of the tenure of Board members where our existing policy is a cumulative period of 9 years.

As such, PNB will vote against any resolution pertaining to the re-election of an ID and its nominee whose tenure exceeds more than a cumulative period of 9 years, which commences from the first date of appointment to the board of the investee company and its related corporations, irrespective of any change in status as an ID or PNB Nominee.

The refined voting guidelines will be effective June 1st, 2023, and its full version is accessible through PNB's Website.

Publishing Historical and Upcoming Voting Decisions on PNB Website

PNB has also previously published its voting decisions in general meetings on its website. The disclosure covers 3 years' historical voting information on investee companies, in which the shareholding of PNB and the Unit Trust Funds under its management are at least 10% or value of investment of RM1 billion as at the relevant practicable date. It also displays voting information for the current year's upcoming General Meetings up to 5 days prior to the General Meeting on a best effort basis. This initiative is in line with one of our Sustainability commitments to uphold transparency in voting. To this end, we also publish the reasoning behind certain voting decisions as well as when they depart from the PNB VG. We believe this will allow investee companies to engage us prior to the general meetings where necessary.

Labour Rights Policy

In April 2022, PNB had announced its Sustainability Framework which is anchored on 10 ESG commitments that includes the formation of a Labour Rights Policy Paper (“Policy”) by 2022. We are pleased to inform that the Policy has been established, underscoring the importance of the following six (6) Key Material Issues, namely:

- a) Forced & Child Labour
- b) Fair Wages & Benefits
- c) Diversity & Inclusion
- d) Freedom of Association
- e) Safety & Health; and
- f) Upskilling and Education.

This Policy shall be applicable to the investee companies of PNB (both domestic and international) and external fund managers appointed by PNB as well as to the entities that we own and the facilities that we manage.

The Policy also outlines a set of minimum considerations that will be applicable to our investments, also known as “Core Expectations” which we expect our investee companies to comply with within two (2) years from now. In addition, we have also outlined our views on “Best Practices” which we aspire for our investee companies to adopt across their organisation.

This Policy along with an FAQ document will be published on our website on December 15, 2022 and we will initiate engagements with our investee companies to deliver PNB’s aspirations outlined within the Policy.

Should you need further information, please do not hesitate to contact En. Muazzam bin Mohamad at muazzam@pnb.com.my or Pn. Azrina binti Sulaiman at azrina@pnb.com.my.

Thank you.

Shareholder Engagement
Investment Stewardship Division