

## CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5204  
**COMPANY NAME** : AWANBIRU TECHNOLOGY BERHAD  
**FINANCIAL YEAR** : June 30, 2022

### OUTLINE:

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (the <b>"Board"</b>) remains resolute in maintaining its obligations in keeping the shareholders' and stakeholders' interests as the cardinal rule whilst the Group conduct its business.</p> <p>Currently, AwanBiru Technology Berhad (<b>"Awantec"</b> or the <b>"Company"</b>) is led and controlled by an effective Board comprises of eleven (11) members that are drawn from various professional backgrounds, bringing depth and diversity in experience, expertise and perspectives to the Company's business operations.</p> <p>The Board is active in developing and implementing the Company's strategies as well as monitoring the Company's performance. Additionally, the Board also periodically reviews the Board's strategies in order to ensure that the Company progresses towards achieving its objectives and goals while adapting to rapid changes in the environments and market conditions.</p> <p>The Board's roles are stipulated in the Board Charter of the Company and also adopted a schedule of matters specifically reserved for its approval subject to review from time to time.</p> <p>The Board has delegated specific powers to relevant Board Committees to assist in the execution of its responsibilities: -</p> <ul style="list-style-type: none"><li>• Audit Committee (<b>"AC"</b>);</li><li>• Risk Management Committee (<b>"RMC"</b>);</li><li>• Nomination Committee (<b>"NC"</b>);</li><li>• Remuneration Committee (<b>"RC"</b>);</li><li>• Long-Term Incentive Plan Committee (<b>"LTIPC"</b>); and</li><li>• Board Oversight Committee (<b>"BOC"</b>).</li></ul> <p>The Board will link the Company's governance and management's functions through the Chairman together with the Chief Executive Officer (<b>"CEO"</b>). All Board authority conferred on management is</p>

	<p>delegated through the CEO so that the authority and accountability of management is considered to be the authority and accountability of the CEO so far as the Board is concerned.</p> <p>On 29 July 2022, Rezal Adzly Bin Abdul Rahman (“<b>En. Rezal</b>”) has resigned from the CEO position to pursue entrepreneurship opportunities. The Company has established the BOC effective from 1 August 2022, to oversee and provide guidance to the senior management team of Awantec pending the appointment of a new CEO.</p> <p>The Terms of Reference (“<b>TOR</b>”) of the Board Committees are available on the Company’s website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p> <p>The Chairman keeps under review, informally, the contributions made by Board members. The NC is given the task to review annually the activities and effectiveness of the Board and the Board members. The Chairman of the NC oversees the overall evaluation process. The NC is required to report annually an assessment of the Board’s and its Committees’ performance. The assessment report together with the report on the Board balance (the required mix of skills and experience and other qualities) will be discussed with the Board members. This exercise is carried out after the end of each financial year, or such other time as may be deemed appropriate. In addition to the above annual assessments, the performance of the CEO and the Chief Operating Officer (“<b>COO</b>”) is assessed based on the key performance indicators (“<b>KPI</b>”) approved by the Board.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chair of the Board, Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar ("En. Syed Naqiz") is an Independent Non-Executive Chairman, and he plays an effective role as Chair of the Board by: -</p> <ul style="list-style-type: none"> <li>• Provide leadership to the Board in adoption and implementation of good corporate governance practices in the Company.</li> <li>• Ensure the Board receive complete and accurate information in timely manner and lead the meetings and discussions.</li> <li>• Encourage active participation and allow dissenting views to be freely expressed and manage the interface between the Board and Management.</li> </ul> <p>En. Syed Naqiz assumes the role and act in accordance with the Board Charter by providing leadership for the Board to ensure that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.</p> <p>The key roles and responsibilities of the Chairman are further elaborated in the Board Charter, which can be accessed at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Under the financial year under review, the CEO position was held by two (2) individuals, Dr. Abu Hasan Bin Ismail ("<b>Dr. Abu</b>") followed by En. Rezal. Dr. Abu was re-designated from President/Group CEO to Founder Mentor on 1 February 2022 and En. Rezal was appointed as the CEO on the same day.</p> <p>The Chairman has never assumed the role as CEO and continue to serve the Board as an Independent Non-Executive member.</p> <p>The roles of the Chairman and the CEO are segregated and clearly defined by their individual position descriptions, making sure that no one individual has unfettered decision making power.</p> <p>The roles of both the Chairman and CEO are defined in the Board Charter which is available on the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Company has never been a chairman or member of any Board Committees. He has never been invited to participate in any of the Board Committee's meetings.</p> <p>As at the date of writing this report, the Chairman of AC is Paul Chan Wan Siew ("<b>Mr. Paul Chan</b>") and Chairman of both NC and RC is Professor Emeritus Dato' Dr. Hassan Bin Said ("<b>Prof. Hassan</b>"). All these three (3) Committees' Chairmen are Independent Non-Executive Directors ("<b>INEDs</b>") of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Ms. Chua Siew Chuan and Mr. Lim Lih Chau are the Company Secretaries of the Company.</p> <p>The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries advise the Board on the Company's Constitution, Board's policies and procedure and compliance with the relevant regulatory requirements, codes or guidance and legislations (or any amendments thereto).</p> <p>The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Malaysia Securities Berhad ("<b>Bursa Malaysia</b>").</p> <p>The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares and timely communication of decisions made and in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Bursa Malaysia Main Market Listing Requirements ("<b>MMLR</b>").</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company.</p> <p>The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board Committees, and between the Non-Executive Directors and Management.</p> <p>All members of the Board are supplied with information in a timely manner. Board reports and papers are circulated in advance prior to Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings. Under the Board Charter, the agenda of the meeting and Board papers to be circulated to its members at least (5) working days prior to the meeting.</p> <p>Minutes of meetings, which accurately reflect the deliberation and decisions of the Board are also circulated within a reasonable period of time upon conclusion of each meeting. Matters that require further action by the Management would stay as matters arising in the Minutes of meetings until it is resolved.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of the Company which document the roles of the Board and policies that the Board has decided upon to meet, among others, its responsibilities, governance and leadership.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities to safeguard the interest of all stakeholders and upholding the highest standards of corporate governance.</p> <p>Matters that are reserved for collective decision of the Board or its committees are included in the Appendix A of the Board Charter. The Board shall ensure that the Board Charter be kept under review from time to time, but at least once every three (3) years to ensure its consistency with the Board's objectives and responsibilities.</p> <p>The Board Charter was last revised and adopted by the Board on 5 July 2021.</p> <p>The Board Charter can be accessible on the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors' Code of Conduct and Ethics describes the ethical and professional standards of corporate and individual behaviour expected of the Board.</p> <p>The Directors are required from time to time to declare their direct and indirect interest in the Company and related companies. It is the policy of the Company to table all Related Party Transaction ("<b>RPT</b>") for review by the AC on a quarterly basis.</p> <p>It is also the Directors' responsibility to declare to the Board whether they and any person(s) connected to them have any potential or actual conflict of interest in any transaction or in any contract or proposed contract with the Company or any of its related companies. Any Director and/or person(s) connected to him who has an interest in any RPT shall abstain from voting and involve in the Board's deliberation on the resolution of which they have interest.</p> <p>The Directors Code of Conduct and Ethics was last reviewed and adopted by the Board on 5 July 2021.</p> <p>The Company also practised the Code of Conduct ("<b>COC</b>") to all employees of Awantec and its subsidiaries (the "<b>Group</b>") that contains guidance on employees' conduct when dealing with other parties in carrying out duties for the Company. This COC also set out on how employees should conduct themselves at or outside the workplace where they can be identified as employee. The Company had in place the process to all employees to declare the Conflict of Interest pursuant to COC as and when it arises and on a quarterly basis.</p> <p>The COC was last updated and approved by the Management of the Company on 5 July 2021.</p> <p>The Company has established the Company's Anti-Bribery and Corruption Guidelines ("<b>AABC</b>") to provide a procedure to ensure that</p>

	<p>the Company, employees, Directors, its subsidiaries, contractors, subcontractors, consultants, agents and representatives conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the relevant legislations.</p> <p>Copies of all the policies mentioned above are accessible on the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>In order to uphold the integrity of the Company in conducting its business, the Company continues to implement the approved Whistleblowing Policy which aims to establish a robust, transparent and accountable communication channel for legitimate concerns to be objectively investigated and addressed. Through the Whistleblowing channel, individuals will be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.</p> <p>This policy shall be reviewed periodically by the Board in accordance with the needs of the Company from time to time or when changes to regulatory requirements necessitate a revision, but at least once every three (3) years and it was last reviewed and adopted by the Board on 5 July 2021.</p> <p>Any disclosure can be made to any of the following dedicated reporting channels: -</p> <table><tr><th>Reporting Mode</th><th>Contact Details</th></tr><tr><td>Letter</td><td>Block 11B, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor. Attention: Whistleblowing Committee</td></tr><tr><td>Online Submission</td><td>Whistleblowing Form</td></tr><tr><td>Electronic mail</td><td><a href="mailto:whistleblowing@awantec.my">whistleblowing@awantec.my</a></td></tr></table> <p>the Whistleblowing Policy is available on the Company’s website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>	Reporting Mode	Contact Details	Letter	Block 11B, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor. Attention: Whistleblowing Committee	Online Submission	Whistleblowing Form	Electronic mail	<a href="mailto:whistleblowing@awantec.my">whistleblowing@awantec.my</a>
Reporting Mode	Contact Details									
Letter	Block 11B, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor. Attention: Whistleblowing Committee									
Online Submission	Whistleblowing Form									
Electronic mail	<a href="mailto:whistleblowing@awantec.my">whistleblowing@awantec.my</a>									
<b>Explanation for departure</b>	:									
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.										

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Guided by our Sustainability Governance Structure, the Group's Board of Directors carried the task to overseeing that proactive measures are undertaken in identifying and evaluating material environmental, social, and governance ("ESG"). The Board together with the management work in tandem to identify any emerging ESG issues or trends that can materiality impact the Group's ability to create long term sustainable value.</p> <p>ESG responsibility is also spelled out in the Board Charter (3.1.3) where the Board of Directors are to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability with emphasis on green investments.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board by the virtue of our annual reports and corporate website, have communicated our sustainability strategies, priorities and targets, along with our annual performances regularly to both our internal and external stakeholders.</p> <p>The annual reports are available on the Company's website at: <a href="https://awantec.listedcompany.com/ar.html">https://awantec.listedcompany.com/ar.html</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board meetings kept themselves abreast with the latest updates in respect to sustainability issues as well as our ESG performances. This is evident in the list of trainings attended by the Board as listed in page 116-118 of the Company's Annual Report 2022 which can be accessed from the Company's website at: <a href="https://awantec.listedcompany.com/ar.html">https://awantec.listedcompany.com/ar.html</a></p> <p>The COO kept the Board up to speed through ESG updates during the financial year under review.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of sustainability in all its business operation and had included sustainability as one (1) of the criteria in the performance evaluations of board members.</p> <p>The performance evaluations for the financial year ended 30 June 2022 included assessment on Board's understanding on sustainability issues that are critical to the Company's performance.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.5- Step Up

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

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>As we progress through the financial year 2022, we continue to integrate sustainability better into our business strategies and approaches. We have strengthened the oversight of our Sustainability Policy with the appointment of a dedicated Sustainability Officer to embed best ESG practices into Awantec's culture and processes.</p> <p>The responsibilities of the Sustainability Officer are as follows: -</p> <p><b>(1) Corporate Sustainability</b></p> <ul style="list-style-type: none"><li>a) Conduct regular analysis of materiality matters, standards and sustainable practices that are applicable to the Group and ensure the Group is well-aligned with them:<ul style="list-style-type: none"><li>• FTSE4Good Criteria Index;</li><li>• Bursa Malaysia Securities Berhad Sustainability Reporting Guidelines;</li><li>• Global Reporting Initiative ("GRI") Sustainability Reporting Standards;</li><li>• Task Force on Climate-Related Financial Disclosures ("TCFD");</li><li>• United Nations Sustainable Development Goals;</li><li>• United Nations Global Compact Ten Principles; and</li><li>• Greenhouse Gas Protocol ("GHG Protocol") Accounting and Reporting Standards.</li></ul></li><li>b) Supporting the formulation of action plans with defined objectives, targets and responsibilities to support the Group's Sustainability Policy, framework, commitments and materiality matters.</li><li>c) Coordinate with the Group's business units and departments to address sustainability initiatives, in line with the Group's materiality matters and applicable standards.</li><li>d) Consolidate data and materials for monitoring, and performance measuring along with reporting against established objectives and targets.</li><li>e) Manage the development and delivery of the Group's sustainability reporting.</li></ul>

	<p><b>(2) Corporate Governance</b></p> <p>a) To support the Group in the aspect of compliance and corporate governance, including annual reporting, general meetings and corporate exercises - where applicable.</p> <p><b>(3) Audit</b></p> <p>a) Sufficient knowledge of ISO 14000, the Intergovernmental Panel on Climate Change, GHG Conversion Factors and current developments in local carbon taxing progress.</p> <p>b) carrying out the recurring audit by SIRIM QAS as well as fulfilling FTSE4Good Index Criteria and GRI standards.</p>
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is responsible to ensure the effectiveness of the composition of the Board in relation to the mix of skills, experience, and other qualities, including core competencies are refreshed periodically to support the organizational strategy and business performance. The NC also assist the Board in review the tenure and annual re-election of the Board.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director and the various Board Committees are assessed on an annual basis.</p> <p>Pursuant to Clause 119 of the Company's Constitution, Dr. Abu, Prof. Hassan and Ginny Yeow Mei Ying ("<b>Ms. Ginny</b>") are the Directors subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.</p> <p>During financial year in review, the Company had appointed in March 2022 an external independent consultant, CG Board Asia Pacific Sdn. Bhd. ("<b>CGB</b>") to assist the Company to ascertain the overall level of effectiveness of the Board as well as to identify areas of improvement.</p> <p>Based on the Board Effectiveness Assessment ("<b>BEA</b>") results conducted by CGB, undertaken by all, the retiring Directors named above, have met the performance criteria required for an effective Board. In addition, the NC and the Board are satisfied with the independence declaration undertaken by retiring directors that the Independent Directors have complied with the independence criteria as set out by Bursa Malaysia MMLR and continue to bring independent and objective judgement to the Board.</p> <p>The Board has recommended that the abovenamed Directors are re-elected for shareholders' approval in the forthcoming 12<sup>th</sup> AGM.</p> <p>Details of the evaluation are set out in the Corporate Governance Overview Statements on page 114 – 115 of the Annual Report 2022 of the Company.</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 5.2**

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

<b>Application</b>	:	Applied															
<b>Explanation on application of the practice</b>	:	<p>As at the end of financial year under review 30 June 2022, the Board consisted of eleven (11) members, out of which 9.09 % comprising of Senior Independent Non-Executive Director and 63.64 % Independent Non-Executive Director. The Board composition was as follows: -</p> <table border="1"> <thead> <tr> <th>Designation</th><th>Number of Directors</th><th>Percentage (%)</th></tr> </thead> <tbody> <tr> <td>Senior Independent Non-Executive Director ("SINED")</td><td>1</td><td>9.09%</td></tr> <tr> <td>Independent Non-Executive Director ("INED")</td><td>7</td><td>63.64%</td></tr> <tr> <td>Non-Independent Executive Director ("NIED")</td><td>2</td><td>18.18%</td></tr> <tr> <td>Non-Independent Non-Executive Director</td><td>1</td><td>9.09%</td></tr> </tbody> </table> <p>All the seven (7) INEDs and one (1) SINED satisfy the definition of independence as prescribed in Paragraph 1.01 of the Bursa Malaysia MMLR. They constitute 72.73% of the Board, which comprise majority of the Board, notwithstanding the Company is not classified as a "Large Company".</p> <p>Through the recommendation of the NC, the Board is satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interests of the Company.</p> <p>The roles of SINED, INED and NIED are elaborated in the Board Charter, and this is made available on the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a>.</p>	Designation	Number of Directors	Percentage (%)	Senior Independent Non-Executive Director ("SINED")	1	9.09%	Independent Non-Executive Director ("INED")	7	63.64%	Non-Independent Executive Director ("NIED")	2	18.18%	Non-Independent Non-Executive Director	1	9.09%
Designation	Number of Directors	Percentage (%)															
Senior Independent Non-Executive Director ("SINED")	1	9.09%															
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Non-Independent Non-Executive Director	1	9.09%															
<b>Explanation for departure</b>	:																

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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>Save for the Senior Independent Non-Executive Director (“SINED”), none of the independent directors has exceeded the cumulative term of nine (9) years.</p> <p>At the coming AGM, the tenure of the SINED of the Company, namely Mr. Paul Chan is twelve (12) years which has exceeded the cumulative term of nine (9) years. Both the NC and the Board had been notified that Mr. Paul Chan did not wish to seek for re-election and will retire at the conclusion of the 12<sup>th</sup> AGM on 24 November 2022.</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 5.4 - Step Up**

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

*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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The recruitment and appointment process of new directors (including re-appointment) of the Directors is the responsible of the NC.</p> <p>Appointment process for directors and senior management will be based on objective criteria, merit as well as dynamic of skills, knowledge, experience, professional background, accomplishment, expertise, and diversity on the Board to support the growth and strategies of the Company.</p> <p>The current Board of Directors consists of diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas (but not limited to) as follows:</p> <ul style="list-style-type: none"> <li>• Accounting and auditing</li> <li>• Taxation</li> <li>• Finance</li> <li>• Legal</li> <li>• Economics</li> <li>• International Business</li> <li>• Business Operations</li> <li>• Information Technology</li> <li>• Investment</li> <li>• Strategic Management</li> </ul> <p>The Company has established and adopted Diversity Policy where diversity is broadly categorised into skills, expertise and experience, gender, age, independence and cultural background. NC will not only consider core competencies namely the expertise, experience and leadership competencies of the prospective candidate but also the manner in which that candidate can enhance and complement the collective diversity of the existing Board.</p> <p>In the context of re-appointment, NC will conduct an annual assessment on the eligibility of the Directors for re-election at AGM based on the</p>

	<p>Board, Committee and individual performance as well as declaration of Independent Directors prior to recommended the same to the Board for approval.</p> <p>NC also undertake adequate due diligence of the potential candidate as a director and senior management prior make the recommendation for the Board's consideration and approval.</p> <p>In May 2022, the Company has adopted Fit and Proper Policy to assess the fitness and propriety of the candidates to be appointed onto the Board and re-election of directors of the Company and its subsidiaries shall possess the following criteria: -</p> <ul style="list-style-type: none"> <li>a) Character and integrity – probity, personal integrity, financial integrity, reputation</li> <li>b) Experience and competence – Qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.</li> <li>c) Time and commitment – ability to discharge role having regard to other commitments, participation and contribution in the board or track record.</li> </ul> <p>The Board is satisfied with the level of commitment and sufficient time devoted by the Directors to discharge their duties as directors of the Company. At present, none of the Directors hold more than five (5) directorships in any other public listed companies.</p> <p>The Diversity Policy as well as Fit and Proper Policy are accessible on Awantec's website at: <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the NC consider a variety of factors in assessing the suitability of the proposed candidate.</p> <p>The NC also undertake adequate due diligence on the candidates before making recommendations to the Board for consideration and approval.</p> <p>Additionally, the NC does not solely rely on recommendations from existing board members, management or major shareholders. The Company has set the consideration of other variety of approaches and independent sources to identify suitable candidates for appointment of Directors as one of the key priorities to consider.</p> <p>The roles and responsibilities of the NC are as prescribed in the Terms of Reference for NC and is made available on the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The information of appointment and reappointment of the Company Directors are further elaborated under Practices 5.1, 5.5 and 5.6 of this CG Report. Elaboration on the appointment of Director is as per page 112 of the CG Overview Statement in the Annual Report 2022.</p> <p>Pursuant to Clause 119 of the Company's Constitution, Dr. Abu, Prof. Hassan and Ms. Ginny are the Directors subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM. The details of the abovenamed Directors' interest, position and experience are set out in the Directors' profile in the Annual Report.</p> <p>The NC and the Board are satisfied with the independence declaration undertaken by the retiring directors that all the Independent Directors have complied with the independence criteria set out by Bursa Malaysia MMLR and continue to bring independent and objective judgement to the Board.</p> <p>The NC and Board of the Company, having considered the performances of the Directors due for retirement, are satisfied with their contributions. Therefore, the Board agreed to recommend the abovenamed Directors' re-elections for shareholder's approval at the forthcoming AGM. Please refer to explanatory note 8(iv) of the Notice of AGM for further elaboration.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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	:	<p>Professor Emeritus Dato’ Dr. Hassan Bin Said, the Independent Non-Executive Director of the Company, is presently the Chairman of the NC of the Company.</p> <p>His responsibilities and duties as a member of the NC are disclosed in the Terms of Reference (“<b>TOR</b>”) of the NC.</p> <p>The TOR of the NC is available on the Company’s website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a> .</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 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>During financial year ended 30 June 2022, there were only 18% of women directors in the Board.</p> <p>NC and the Board require sufficient time to find suitable women candidates to sit on the Board that able to have solid business skills or relevant corporate/industry knowledge and experience to support the strategies and long-term objectives of the Company.</p> <p>The Board is cognisant of the importance of gender diversity amongst the Board to have a better quality of board decision.</p> <p>Despite the Company not meeting the requirements on 30% of women directors, the current Board composition is diverse in terms of professional background, qualification, skills, experience, age and knowledge they possessed. This diversity led to effective participation and deliberation of discussion amongst them to support the growth and strategies of the Company.</p> <p>The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	<p>NC and the Board are proactively seeking a suitable women candidate to be part of the Board and will spend a significant amount of time and effort evaluating key potential candidates. This including by maintaining a compilation of potential candidates organized by strategic skill set. The Company is particularly focused on identifying individuals whose skills and experiences will contribute to the shaping of the Company's business strategy with diverse and balanced perspectives to the organization. The Company subscribes to diversity in terms of experience, capability, nationality, ethnicity and gender.</p>



<b>Timeframe</b>	:	Within 1 year	
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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 5.10**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>On boardroom diversity, the Board is supportive of the boardroom gender diversity recommended by the Malaysian Code on Corporate Governance ("MCCG") and has adopted a Diversity Policy which is made available on the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p> <p>The diversity is not limited to the Board level, it is also applicable to all levels of employees' inclusive senior management. The Company's has established the Equality, Diversity and Inclusion Policy which can be accessed at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p> <p>For FY2022, 55.66% of the Group employees are female and three (3) of them are part of the senior management. Positions are as follows: -</p> <ul style="list-style-type: none"> <li>• Chief Business Officer – Pn. Siti Raha Binti Mohd Ishtiaq</li> <li>• Director, Human Resource &amp; Administration – Pn. Yasmin Binti Abdullah</li> <li>• Group Financial Controller – Pn. Ainun Mardziah Binti Hashim</li> </ul> <p>Their profiles can be read in the Company's Annual Report 2022 in page 100. Annual report can be accessed at <a href="https://awantec.listedcompany.com/ar.html">https://awantec.listedcompany.com/ar.html</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Awantec is not classified as a “Large Companies” as defined under MCGG 2021, however, the Company has adopted a formal and objective annual assessment of individual performance of directors and collective performance of the Board and its Committees. The assessment includes their quality of information and decision making, contribution, performance, and effectiveness of the Board and the Committees as well as individual Director.</p> <p>The evaluation process is led by the NC Chair and the Company Secretaries. Each director provided feedback on the Board, Committee and individual performance questionnaire circulated by the Company Secretaries. All the evaluation results of the assessment were then collated by the Company Secretaries and were properly documented.</p> <p>Despite not being classified as a Large Company, the Company had appointed an external consultant, CG Board Asia Pacific Sdn. Bhd. (“CGB”) to assist the Company to ascertain the overall level of effectiveness of the Board as well as to identify areas of improvement.</p> <p>The 2022 Board Effectiveness Assessment (“BEA”) was conducted by CGB through confidential one-on-one interview sessions with Board members. Interviews were also performed with selected individuals from the Management to obtain feedback from a management perspective. In addition, the Board members also had completed two (2) online assessments which comprised of the following surveys: -</p> <ol style="list-style-type: none"><li>1) First survey: Abridged Board Effectiveness Assessment (Board Refreshment &amp; Succession Planning Survey)</li><li>2) Second survey: Self &amp; Peer-Assessment for Skills Matrix (Board Competency &amp; Skills Matrix Survey)</li></ol>

	<p>There were eight (8) key parameters covers in the BEA which can be used by the Company to have a better understanding of current Board composition and performance as well as to prioritise key strategic issues to perform actionable plans for greater board effectiveness, namely: -</p> <ul style="list-style-type: none"> <li>▪ Board Leadership</li> <li>▪ Board Processes (Board Refreshment &amp; Succession Planning)</li> <li>▪ Board Agendas, Minutes and Information</li> <li>▪ Board Composition &amp; Diversity</li> <li>▪ Board &amp; Management Relationship</li> <li>▪ Board Committees</li> <li>▪ Board &amp; Stakeholder's Engagement</li> <li>▪ Board Dynamics</li> </ul> <p>The Board has agreed on areas of improvement based on the assessment results reported by CGB. Below is a summary of the key findings of the 2022 BEA: -</p> <ul style="list-style-type: none"> <li>• Strengthening the Board Processes by having an effective Board Succession Planning Framework with a clear guidance on specific skills and desired competencies that the Board should have. The succession planning framework also should be developed amongst top management.</li> <li>• The NC should maintain a multi-year succession plan and director candidate profiles should be regularly updated with a prioritised list of skills and attributes, and a talent pipeline is developed for future needs. Sustainability of talent pool is key to drive the long-term plan of the Company to growth the business.</li> <li>• Improve the executive remuneration to attract and retain the right talents of the Company.</li> <li>• Improve the process of the quality and timeliness of Board information and meetings time management.</li> <li>• Strengthen the board diversity in terms of age and gender with more solid business skills or relevant corporate/industry knowledge and experience in influencing the way the company thinks and acts.</li> </ul> <p>The NC and the Board has taken note of the findings and recommendations and continuously strengthen the succession planning, composition and diversity, dynamics are in line with the growth and strategy of the Company.</p>
<p><b>Explanation for departure</b></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>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company has in place a remuneration policy for the Directors and key senior management personnel which takes into account the demands, complexities, and performance of the Group as well as skills and experience required.</p> <p>A copy of the remuneration policy which discloses high level principles and a detailed process for setting remuneration is available in the Company's website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p> <p>The remuneration of senior management is determined at Board level and does not require shareholders' approval.</p> <p>The Executive Director and senior management receive a competitive remuneration package consisting of the following components: -</p> <div><div><p>Fixed</p><p>Linked to job scope, responsibility, and</p><p>Base Salary + Fixed Benefits</p></div><div><p>Variable</p><p>Linked to individual KPI performance</p><div><p>Short Term Incentives Bonus + Cash Incentives</p><p>Long Term Incentives Shares Option Career Enhancement</p></div></div></div>

	<p>The long-term variable components through shares option and career enhancement within the Group of Companies aims to attract, motivate, retain and reward key employee of requisite quality that increases productivity and profitability of the Group in the long run.</p> <p>Under the Remuneration Policy, claw-back or malus provision exists whereby if it is proved after the grant of variable components to members of the Executive Director and Senior Management that the bonus and cash incentives were paid erroneously, the Company may in exceptional cases reclaim in full or in part variable components.</p> <p>Variable pay awards may be made subject to adjustment events. At the discretion of RC, such an award may be adjusted before delivery (malus) or reclaimed after delivery (clawback) if an adjustment event occurs.</p> <p>In determining the remuneration of Non-Executive Directors, the RC is guided by benchmarking comparable companies, whilst taking into consideration Board members' required experiences, competencies, efforts and the scope of the Board's works, including the number of meetings.</p> <p>The Non-Executive Directors receive remuneration package consisting of the following components: -</p> <table border="1" data-bbox="589 982 1380 1226"> <thead> <tr> <th data-bbox="589 982 982 1018">Fixed</th><th data-bbox="982 982 1380 1018">Variable</th></tr> </thead> <tbody> <tr> <td data-bbox="589 1018 982 1226"> <ul style="list-style-type: none"> <li>• Board Fee</li> <li>• Committee Fee</li> <li>• Benefits <ul style="list-style-type: none"> <li>➤ Directors and Officers Liability Insurance</li> <li>➤ Benefits-in-kind</li> </ul> </li> </ul> </td><td data-bbox="982 1018 1380 1226"> <ul style="list-style-type: none"> <li>• Meeting Allowance</li> <li>• Other Emoluments</li> </ul> </td></tr> </tbody> </table> <p>Fees of the Non-Executive Directors and benefits payable to Directors are tabled to the share shareholders for approval on an annual basis via the Annual General Meeting of the Company.</p>	Fixed	Variable	<ul style="list-style-type: none"> <li>• Board Fee</li> <li>• Committee Fee</li> <li>• Benefits <ul style="list-style-type: none"> <li>➤ Directors and Officers Liability Insurance</li> <li>➤ Benefits-in-kind</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Meeting Allowance</li> <li>• Other Emoluments</li> </ul>
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<b>Explanation for departure</b> :					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
<b>Measure</b> :					
<b>Timeframe</b> :					

### 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 Remuneration Committee’s (“RC”) objectives are to set out the policies and procedures on remuneration of the Executive Director, Non-Executive Director and Senior Management staff of the Company.</p> <p>The RC is made up wholly of four (4) Independent Non-Executive Directors and is presently chaired by Prof. Hassan.</p> <p>The Terms of Reference of the RC is available on the Company’s website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p> <p>The RC from time to time has evaluated the compensation and remuneration packages for the Non-Executive Directors guided by the market rates and benchmarking of similar companies based on the market capitalization and industry whilst taking into consideration Board members’ required experiences, competencies, efforts and the scope of the Board’s works, including the number of meetings. The directors’ remuneration is further determined at levels which would continue to attract and retain high calibre directors.</p> <p>The Executive Directors do not receive any remuneration for directorships held in the Company and its subsidiaries, while Non-Executive Directors receive remuneration package consisting of the following components: -</p> <table><tr><th>Fixed</th><th>Variable</th></tr><tr><td><ul style="list-style-type: none"><li>• Board Fee</li><li>• Committee Fee</li><li>• Benefits<ul style="list-style-type: none"><li>➤ Directors and Officers Liability Insurance</li><li>➤ Benefits-in-kind</li></ul></li></ul></td><td><ul style="list-style-type: none"><li>• Meeting Allowance</li><li>• Other Emoluments</li></ul></td></tr></table>	Fixed	Variable	<ul style="list-style-type: none"><li>• Board Fee</li><li>• Committee Fee</li><li>• Benefits<ul style="list-style-type: none"><li>➤ Directors and Officers Liability Insurance</li><li>➤ Benefits-in-kind</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Meeting Allowance</li><li>• Other Emoluments</li></ul>
Fixed	Variable					
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	<p>The Board, as a whole, determines the remuneration of Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Directors the fees will be voted for approval by the shareholders annually during the AGM. It was agreed that the following resolutions in relation to remuneration shall be tabled at the forthcoming AGM for the shareholders' approval: -</p> <ul style="list-style-type: none"> <li>• Additional payment of Directors' fees amounting to RM204,000.00 which was in excess of the earlier approved amount of RM996,000.00 for the period from 1 July 2021 until the next AGM of the Company to be held in year 2022.</li> <li>• Additional payment of Directors' benefits amounting to RM4,800.00 which was in excess of the earlier approved amount of RM242,000.00 from 25 November 2021 until the next Annual General Meeting of the Company to be held in year 2022.</li> <li>• Directors' fees up to an amount of RM1,296,000.00 for the period 25 November 2022 until the next Annual General Meeting of the Company to be held in year 2023.</li> <li>• Directors' benefits up to an amount of RM230,400.00 from 25 November 2022 until the next Annual General Meeting of the Company to be held in year 2023.</li> </ul> <p>Disclosures on the activities of the RC in 2022 are provided in pages 134 – 135 of the Annual Report 2022 which can be accessed at <a href="https://awantec.listedcompany.com/ar.html">https://awantec.listedcompany.com/ar.html</a></p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.

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	Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar	Independent Director	117	-	-	-	-	10	127	-	-	-	-	-	-	-
2	Paul Chan Wan Siew	Independent Director	78	-	-	-	-	38	116	-	-	-	-	-	-	-
3	Ramanathan A/L Sathiamutty	Independent Director	78	-	-	-	-	36	114	-	-	-	-	-	-	-
4	Ginny Yeow Mei Ying	Independent Director	78	-	-	-	-	17	95	-	-	-	-	-	-	-
5	Professor Emeritus Dato' Dr. Hassan Bin Said	Independent Director	78	-	-	-	-	35	113	-	-	-	-	-	-	-
6	Hafidah Aman Binti Hashim	Independent Director	78	-	-	-	-	35	113	-	-	-	-	-	-	-
7	YM Tunku Abang Faisal Amir Bin Abang Abu Bakar	Independent Director	78	-	-	-	-	10	88	-	-	-	-	-	-	-
8	Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan	Independent Director	78	-	-	-	-	10	88	-	-	-	-	-	-	-
9	Dr. Abu Hasan Bin Ismail	Non-Executive Non-Independent Director	-	-	480	-	50	70	600	-	-	-	-	-	-	-
10	Rezal Adzly Bin Abdul Rahman	Executive Director	-	-	340	-	-	44	384	-	-	-	-	-	-	-
11	Baldesh Singh A/L Manmohan Singh	Executive Director	-	-	456	-	-	140	596	-	-	-	-	-	-	-
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Lee Fuei Siong	Director, Talent and Development	250,001-300,000	Choose an item.	Choose an item.	Choose an item.	100,001-150,000	400,001-450,000
2	Hafiza Anom Binti Abdul Hamid	Chief Business Officer	350,001-400,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	350,001-400,000
3	Chok Joon Heng	Director, Finance & Corporate Services	300,001-350,000	Choose an item.	Choose an item.	Choose an item.	0-50,000	350,001-400,000
4	Farul Azim Bin Mohd Ghazali	Director, Technology Solutioning	300,001-350,000	Choose an item.	Choose an item.	Choose an item.	0-50,000	300,001-350,000
5	Yasmin Binti Abdullah	Director, Human Resource and Administration	250,001-300,000	Choose an item.	Choose an item.	Choose an item.	0-50,000	250,001-300,000

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The AC is chaired by Mr. Paul Chan and the members are Ramanathan A/L Sathiamutty, Prof. Hassan and Hafidah Aman Binti Hashim ("<b>Pn. Hafidah</b>"), all of whom are Independent Directors.</p> <p>The Chairman is a member of the Malaysian Institute of Accountant ("<b>MIA</b>") with vast knowledge and experience and is recognised for his leadership and acknowledged by the members who could lead the AC to oversight the areas of internal control environment, related party transactions and other financial related matters.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Terms of Reference of the AC indicated that no former partner of the external audit firm of the Company shall be appointed as a member of the AC unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the AC.</p> <p>None of the members of the Board were former partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board has no intention to appoint any former partners as member of Board.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has adopted performance evaluation of External Auditors on an annual basis. A survey was coordinated by the Company Secretaries regarding assessments on the effectiveness of the External Auditor, were performed by Members of the AC and Management, where Messrs. Crowe Malaysia PLT's (i) quality of service; (ii) sufficiency of resources; (iii) communication and interaction; and (iv) independence, objectivity and professional scepticism were assessed, in respect of the financial year under review.</p> <p>The AC was satisfied with the performance and independence of the External Auditors as well as the fulfilment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>Messrs. Crowe Malaysia PLT had also indicated to the AC that they had been independent throughout the audit engagement in respect of the financial year under review.</p> <p>Having considered all the above criteria, the Board had upon recommendation by the AC, approved the recommendation for the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors of the Company for the ensuing year for the shareholders' approval at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The Terms of Reference of the AC states that the AC shall comprise solely of Independent Non-Executive Directors.</p> <p>Following shows the composition of the AC during financial year under review: -</p> <table><tr><th><b>Name</b></th><th><b>Designation</b></th></tr><tr><td>Paul Chan Wan Siew</td><td>Chairman (Senior Independent Non-Executive Director)</td></tr><tr><td>Ramanathan A/L Sathiamutty</td><td>Member (Independent Non-Executive Director)</td></tr><tr><td>Professor Emeritus Dato’ Dr. Hassan Bin Said</td><td>Member (Independent Non-Executive Director)</td></tr><tr><td>Hafidah Aman Binti Hashim</td><td>Member (Independent Non-Executive Director)</td></tr></table>	<b>Name</b>	<b>Designation</b>	Paul Chan Wan Siew	Chairman (Senior Independent Non-Executive Director)	Ramanathan A/L Sathiamutty	Member (Independent Non-Executive Director)	Professor Emeritus Dato’ Dr. Hassan Bin Said	Member (Independent Non-Executive Director)	Hafidah Aman Binti Hashim	Member (Independent Non-Executive Director)
<b>Name</b>	<b>Designation</b>											
Paul Chan Wan Siew	Chairman (Senior Independent Non-Executive Director)											
Ramanathan A/L Sathiamutty	Member (Independent Non-Executive Director)											
Professor Emeritus Dato’ Dr. Hassan Bin Said	Member (Independent Non-Executive Director)											
Hafidah Aman Binti Hashim	Member (Independent Non-Executive Director)											

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC's effectiveness hinges on several factors, including knowledge, experience and commitment of the members; the AC's leadership, dynamics and chemistry, and their quality interaction with management and internal auditors as well as external auditors.</p> <p>The members of the AC collectively have the necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance, information technology, investment and legal.</p> <p>Based on the outcome of the performance assessment on the AC by the NC, which conducted on annual basis, the NC and the Board are satisfied with the performance of the AC.</p> <p>All the members of the AC continuously undertake professional development to keep themselves abreast especially during the current rapid changes and development in the financial related, practices and rules as and when required.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.</p> <p>The Statement on Risk Management and Internal Control furnished in the Annual Report provides an overview of the internal control within the Group during the financial year under review.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board via the Risk Management Committee ("<b>RMC</b>") oversees the risk management of the Group.</p> <p>The RMC, with the assistance of the Management, reviews and recommends for the Board's approval on risk management within the Group. The RMC also assesses the risk tolerance of the Group in order to safeguard the interest of its stakeholders.</p> <p>The Statement on Risk Management and Internal Control furnished in the Annual Report provides an overview of the internal control within the Group during the financial year under review.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Adopted												
<b>Explanation on adoption of the practice</b>	:	<div><p>The RMC is made up of a majority of Independent Directors with the following members: -</p><table><tr><th>Name</th><th>Designation</th></tr><tr><td>Ramanathan A/L Sathiamutty</td><td>Chairman (Independent Non-Executive Director)</td></tr><tr><td>Dr. Abu Hasan Bin Ismail</td><td>Member (Non-Independent Non-Executive Director/Founder Mentor)</td></tr><tr><td>Paul Chan Wan Siew</td><td>Member (Senior Independent Non-Executive Director)</td></tr><tr><td>Baldesh Singh A/L Manmohan Singh</td><td>Member (Non-Independent Executive Director/Chief Operating Officer)</td></tr><tr><td>Ginny Yeow Mei Ying</td><td>Member (Independent Non-Executive Director)</td></tr></table><p>The RMC is responsible for reviewing and recommending risk management policies and strategies for the Company. It also assists the Board in fulfilling corporate governance, risk management and statutory responsibilities in order to manage overall risk exposure.</p></div>	Name	Designation	Ramanathan A/L Sathiamutty	Chairman (Independent Non-Executive Director)	Dr. Abu Hasan Bin Ismail	Member (Non-Independent Non-Executive Director/Founder Mentor)	Paul Chan Wan Siew	Member (Senior Independent Non-Executive Director)	Baldesh Singh A/L Manmohan Singh	Member (Non-Independent Executive Director/Chief Operating Officer)	Ginny Yeow Mei Ying	Member (Independent Non-Executive Director)
Name	Designation													
Ramanathan A/L Sathiamutty	Chairman (Independent Non-Executive Director)													
Dr. Abu Hasan Bin Ismail	Member (Non-Independent Non-Executive Director/Founder Mentor)													
Paul Chan Wan Siew	Member (Senior Independent Non-Executive Director)													
Baldesh Singh A/L Manmohan Singh	Member (Non-Independent Executive Director/Chief Operating Officer)													
Ginny Yeow Mei Ying	Member (Independent Non-Executive Director)													

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Acknowledging the need for an effective and independent Internal Audit function as an integral part of the control structure and risk management framework of the Group and the Company, the decision was taken to outsource the Internal Audit activities to KPMG Management and Risk Consulting Sdn. Bhd. (“<b>KPMG MRC</b>”), a third party service provider.</p> <p>It is the responsibility of the internal auditors to provide the AC with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group’s established policies and procedures.</p> <p>Under the financial year under review, the Company engaged KPMG MRC to carry out an internal audit to assist the AC and the Board of the Company by independently assessing the effectiveness of policies and procedures, risk management, governance activities, the system of internal controls as established by Management of the Company, the adequacy and integrity of such internal control system vis-à-vis the objectives served, and to make appropriate recommendations.</p> <p>The AC and the Board are satisfied with the performance of the internal auditors KPMG MRC, in the provision of outsourced internal audit services to the Group and the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has outsourced its internal audit function to KPMG MRC. The internal audit engagement by KPMG MRC was headed by Mohd Khaidzir Shahari (“<b>En. Khaidzir</b>”), an Executive Director with the Internal Audit, Risk and Compliance Services (“<b>IARCS</b>”) practice of KPMG. En. Khaidzir is a Chartered Accountant with professional membership in the Association of Certified Management Accountant, The Institute of Internal Audit of Malaysia, and Malaysian Institute of Accountants. En. Khaidzir has accumulated over twenty-five (25) years of experience in a wide range of governance advisory, risk, and internal audit services.</p> <p>There were two (2) personnel deployed by KPMG MRC for the internal audit work of financial year ended 30 June 2022. All the personnel deployed by KPMG MRC are free from any relationships or conflict of interest, which could impair their objectivity and independence during the course of the work.</p> <p>The internal audit work was carried out in accordance with the KPMG Internal Audit Methodology, risk-based internal audit methodology, which is aligned with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supposed by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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>The Board has developed and adopted a Corporate Disclosure Policy and Procedures (“CDP”) which outlines the Company’s approach towards providing accurate, clear, timely and complete disclosure of material information pertaining to the Company’s performance and operations to shareholders, investors and the public general in compliance with applicable legal and regulatory requirements.</p> <p>The CDP can be access on the Company’s website at <a href="https://www.awantec.my/governance">https://www.awantec.my/governance</a></p> <p>The Company discloses material information to its stakeholders via documents filed with, and announcements made to, Bursa Malaysia, Securities Commission (“SC”) and other regulators or authorities, the Company’s annual report, financial statements, quarterly reports, press releases, letters to stakeholders, circulars to shareholders, electronic mail communication and information contained in the Company’s corporate website and digital platforms. All announcements shall be approved by the Board before they are released to Bursa Malaysia.</p> <p>The Group and the Company maintain the following website that allows all shareholders and investors access to information about the Group and the Company: <a href="https://awantec.listedcompany.com/home.html">https://awantec.listedcompany.com/home.html</a></p> <p>Any further information regarding the Group and the Company may also be obtained from the following communication channels: -</p> <table><tr><td colspan="2">Corporate Governance</td></tr><tr><td>Telephone</td><td>: 03-8689 7000</td></tr><tr><td>Facsimile</td><td>: 03-8689 7009</td></tr><tr><td>Email</td><td>: inquiry@awantec.my</td></tr></table> <p>The Company also provided channel for stakeholders to provide their views and feedback including complaints at: <a href="mailto:ir@awantec.my">ir@awantec.my</a></p> <p>All the communication channels stated above are available at all times and the Company’s acknowledge and address stakeholders’ views, feedback or complaints in an appropriate manner.</p>	Corporate Governance		Telephone	: 03-8689 7000	Facsimile	: 03-8689 7009	Email	: inquiry@awantec.my
Corporate Governance										
Telephone	: 03-8689 7000									
Facsimile	: 03-8689 7009									
Email	: inquiry@awantec.my									

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**

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.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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 Annual Report, which contains the Notice of Annual General Meeting (“<b>AGM</b>”), was sent to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of Annual General Meeting, which sets out the businesses to be transacted at the Annual General Meeting, was also published in a major local newspaper and made available on the Company’s website.</p> <p>The explanatory notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</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 13.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All directors will attend General Meetings and will take any relevant questions addressed to them unless unforeseen circumstances preclude them from attending General Meetings.</p> <p>During the AGM held in 2021, all Directors attended the AGM.</p> <p>Other than Directors, several key Senior Management, Messrs. Crowe Malaysia PLT, Company Secretaries, the Scrutineers as well as Chairperson of AC, NC, RC, RMC and other committees were also present at the Broadcast Venue to provide necessary information and support during the AGM proceedings.</p> <p>The former President/GCEO also presented the Group's operating and financial performance for year 2021 during the AGM held on 2021 for the information of the shareholders/proxies present.</p> <p>Shareholders were allowed to send questions to the Company prior to the Meeting via email as advised in the Company's notification letter.</p> <p>For shareholders and proxies who attended the Meeting remotely, they could use the text messaging facility provided under the online meeting platform to transmit their questions in real time during the Meeting. The Meeting would proceed with the question and answer ("Q&amp;A") session upon completion of the deliberations of all items to be transacted at the AGM.</p> <p>The Company endeavour to respond to all questions relevant to the agenda items during the Meeting, and that any unattended question or remark submitted by the shareholders or proxies would be responded via email after the conclusion of the Meeting.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 11<sup>th</sup> AGM of the Company held on 24 November 2021 were conducted on a virtual basis for the shareholders.</p> <p>Awantec sought services from the Boardroom Share Registrar Sdn. Bhd. ("<b>Share Registrar</b>") to provide remote participation and voting facilities ("<b>RPV</b>") to conduct the meeting.</p> <p>The Company leveraged on technology to facilitate shareholders' participation remotely and online remote voting using the RPV facilities provided by Share Registrar on all resolutions tabled at the 11<sup>th</sup> AGM of the Company.</p> <p>The results of the polls were also verified by an independent Scrutineer. The adoption of electronic poll voting at these meetings ensure accurate and more transparent voting results and is a more efficient process.</p> <p>Proactive measures were taken by the appointed Scrutineer of the Company to inspect the audit logs on the Poll Administrator's Voting System database and operating system to ensure there were no unauthorised activities during the meeting.</p> <p>The Share Registrar has in place the process which ensured that only registered shareholders are allowed to attend and participate in the virtual AGM of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	:  At the 11 <sup>th</sup> AGM of the Company held on 24 November 2021, Dr. Abu, the former President/GCEO of the Company presented to the shareholders on the Group's operating and financial performance for year 2021. In addition, the Chief Operating Officer ("COO") shared with the shareholders the replies to the Minority Shareholders Watch Group's ("MSWG") questions during the meeting.  The shareholders were allowed to send questions up to forty-eight (48) hours prior to the AGM by emailing to the Company's email. For those shareholders and proxies who attended remotely, they were allowed to submit their questions by using the text messaging facility provided under the online meeting platform to transmit their questions in real time during the Meeting.  The results of all votes casted in respect of each resolution were displayed on screen at the virtual AGM. The poll results were then announced via Bursa Link on the same day.  All pertinent questions were answered live by the Chairman, President/GCEO, COO. Any unattended question or remark submitted by the shareholders or proxies would be responded via email after the conclusion of the Meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has successfully organised virtual AGM for two (2) years. This enables the Company to commit and strengthen the way of moving forward to leverage digitalisation in this new digital era.</p> <p>The 11<sup>th</sup> AGM was held on virtual basis at the broadcast venue located at Share Registrar office. The Company leveraged on technology to facilitate shareholders' participation remotely and online remote voting using the RPV facilities provided by Share Registrar.</p> <p>The internal team usually perform dry run prior to scheduled event of AGM to ensure the required infrastructure and tools are in place. This also to prevent any potential technical glitches to happened and ensuring that sufficient capacity to manage large audience size.</p> <p>All shareholders were allowed to pose questions and were answered live by Chairman, President/GCEO, COO and senior management during the meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of the 11 <sup>th</sup> AGM were made available to the shareholders by posting on our Company's website on 23 December 2021, within thirty (30) business days after the AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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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