

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5204
COMPANY NAME : AWANBIRU TECHNOLOGY BERHAD
FINANCIAL YEAR : June 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors (the "Board") remains resolute in maintaining its obligations in keeping the shareholders' and stakeholders' interests as the cardinal rule whilst AwanBiru Technology Berhad ("Awantec" or the "Company") and its subsidiaries (the "Group") conducts its business.</p> <p>Currently, Awantec is led and controlled by an effective Board comprises of nine (9) 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 and also adopted a schedule of matters specifically reserved for the Board's approval which is subject to review from time to time.</p> <p>The Board has delegated specific powers to the relevant Board Committees to assist in the execution of its responsibilities as follows: -</p> <ul style="list-style-type: none">● Audit Committee ("AC");● Risk Management Committee ("RMC");● Nomination Committee ("NC");● Remuneration Committee ("RC");● Long-Term Incentive Plan Committee ("LTIPC"); and● Board Oversight Committee ("BOC").

	<p>On 12 September 2023, the Board has announced to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on the merging of the Nomination Committee (“NC”) and Remuneration Committee (“RC”) into a single Board Committee known as Nomination and Remuneration (“NRC”) with effect from 12 September 2023.</p> <p>The Terms of Reference (“TOR”) of the Board Committees are available on the Company’s website at https://www.awantec.my/governance.</p> <p>The Board and Board Committees are guided by the governance framework which demonstrates the interaction between the Board and its stakeholders. From the Board to business units, the Group has processes in place to ensure delegation flows through the Board and the Board Committees into the organization. These in place processes are governed by the risk management framework, internal control and audit functions as well as policies and procedures.</p> <p>The governance framework is available in page 110 of the Corporate Governance Overview Statement in the Company’s Annual Report.</p> <p>The Board will link the Company’s governance and management’s functions through the Chairman together with the Chief Executive Officer (“CEO”). All Board authority conferred on management is delegated through the CEO so that the authority and accountability of management is considered to be the authority and accountability of the CEO as far as the Board is concerned.</p> <p>Under the financial year under review, Rezal Adzly bin Abdul Rahman (“En. Rezal”) resigned from the CEO position on 29 July 2022 to pursue entrepreneurship opportunities. Stemming from which, the Company 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>On 1 June 2023, the Company has appointed a new CEO, Azlan bin Zainal Abidin (“En. Azlan”) to oversee the implementation of strategies and handle the overall business and operations of the Group. With this appointment, the BOC was dissolved with effect from 30 June 2023.</p> <p>The performances of the CEO and the Chief Operating Officer (“COO”) are assessed based on the key performance indicators (“KPI”) approved by the Board.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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">● Providing leadership to the Board in adoption and implementation of good corporate governance practices in the Company.● Ensuring the Board receives complete and accurate information in a timely manner and leads the meetings and discussions.● Encouraging active participation and allowing dissenting views to be freely expressed and managing the interface between the Board and Management. <p>En. Syed Naqiz assumes the role and acts 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 https://www.awantec.my/governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the Company has appointed a new CEO, En. Azlan, with effect from 1 June 2023.</p> <p>The Chairman has never assumed the role as CEO and continues 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 https://www.awantec.my/governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<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 Chairperson of AC is Lim Saw Imm ("Mdm. Theresa Lim") and the Chairman of NRC is Professor Emeritus Dato' Dr. Hassan bin Said ("Prof. Hassan"), both of whom are Independent Non-Executive Directors ("INEDS") of the Company.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries of the Company namely, Ms. Chua Siew Chuan is a Fellow of the Malaysian Association of the Institute of Chartered Secretaries and Administrators while Mr. Lim Lih Chau is a Licensed Secretary licensed by the Companies Commission of Malaysia.</p> <p>The Company Secretaries play a vital role to ensure that the attendance and minutes of all the Board and Board Committees meetings are properly recorded and kept at the registered office of the Company. Subsequently, the Company Secretaries must ensure that all deliberations of the Board and Board Committees meetings are well communicated to the relevant Management for appropriate actions.</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, corporate governance best practices and its 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.</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 the Bursa Malaysia Main Market Listing Requirements ("MMLR").</p> <p>The roles and responsibilities of the Company Secretary are specified in the Board Charter, which is available on Awantec's website: https://www.awantec.my/governance.</p>

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Management of the Company will schedule in advance all quarterly meetings for the year under review to facilitate the Board and the Board Committees in planning ahead and incorporating the said meetings into their respective schedules.</p> <p>The Company Secretaries attend and ensure that all Board and the Board Committees 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 and the Board Committees at the respective 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 and 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 the meetings, which accurately reflect the deliberation and decisions of the Board and the Board Committees are also circulated within a reasonable period of time upon conclusion of each meeting. Minutes of the meetings are tabled for confirmation at the next meeting whilst the minutes of the Board Committees are presented to the Board for notation. All these minutes must be approved by the Board and each Board Committee and confirmed by the Chairman of the Board and the respective Board Committees.</p> <p>Matters that require further action by Management will be minuted as matters arising in the minutes of the meetings until they have been resolved. The signed minutes of each meeting is properly kept by the Company Secretaries for the statutory records.</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter of the Company documents 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 uphold the highest standards of corporate governance.</p> <p>Matters that are reserved for the 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 12 September 2023.</p> <p>The Board Charter can be accessible on the Company's website at https://www.awantec.my/governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>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 ("RPT") for review by the AC on a quarterly basis. Such disclosures must be recorded in the minutes of the meeting at which the disclosure is made.</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 be involved 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 ("COC") to all employees of the Group 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 employees.</p> <p>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. As part of monitoring the conflict, the Company will send reminders to all employees on a quarterly basis pursuant to the Company's COC and Anti-Bribery and Corruption Manual.</p>

	<p>The COC was last updated and approved by the Management of the Company on 5 July 2021.</p> <p>The Company established the Company’s Anti-Bribery and Corruption Guidelines (“AABC”) and Policy on Adequate Procedures to provide a set of procedures to ensure that 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. To create a culture of integrity, the Company had on 3 March 2023 undertake an Integrity Pledge to uphold ethical standards amongst employees.</p> <p>Copies of all the policies mentioned above are accessible on the Company’s website at https://www.awantec.my/governance.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied								
Explanation on application of the practice	:	<p>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 border="1"><thead><tr><th>Reporting Mode</th><th>Contact Details</th></tr></thead><tbody><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>whistleblowing@awantec.my</td></tr></tbody></table> <p>The Whistleblowing Policy is available on the Company's website at https://www.awantec.my/governance.</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	whistleblowing@awantec.my
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	whistleblowing@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

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 Management work in tandem to identify any emerging ESG issues or trends that can materially impact the Group's ability to create long-term sustainable value.</p> <p>ESG responsibility is also spelled out in Clause 8.1.3 of the Board Charter where the Board should ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, ESG considerations underpinning sustainability with emphasis on green investments.</p> <p>The Board will ensure that the Company implements sustainability measures that incorporates the trending developments in the United Nation's Social Development Goals (17 SDGs) which includes Carbon Neutral and Climate Governance Initiatives that Malaysia supports.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

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

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board kept themselves abreast with the latest updates in respect to sustainability issues as well as Awantec’s ESG performance during the quarterly Board meetings of the Company. This is evident in the list of trainings attended by the Board as listed in pages 124 and 125 of the Company’s Annual Report 2023 which can be accessed from the Company’s website at: https://awantec.listedcompany.com/ar.html.</p> <p>The COO ensures that the Board remains informed through ESG updates during the financial year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of sustainability in all its business operations and has included sustainability as one (1) of the criteria in the performance evaluations of Board members. The performance evaluations for the financial year ended 30 June 2023 included assessment on the Board's understanding on sustainability issues that are critical to the Company's performance.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>During the financial year under review, the Board and the Management placed emphasis on incorporating a climate change framework into the Group's business operations and processes.</p> <p>On top of that, Awantec also conducted a brown bag session for "Getting to know our ESG" to all employees in April 2023. This session intends to both educate and demonstrate our steadfast dedication to sustainability for our stakeholders. It encompasses our endeavours to decrease greenhouse gas emissions, enhance climate resilience, promote diversity and inclusion, uphold human rights, uphold strong corporate governance, implement effective management practices, and foster ethical behaviour.</p> <p>This will enable the Company to effectively manage risks and capitalize on opportunities related to climate change, while also enhancing other areas of our materiality matters. We maintain the appointment of a Sustainability Officer to help integrate optimal ESG practices into Awantec's culture and processes.</p> <p>The responsibilities of the Sustainability Officer are as follows: -</p> <p>1. Corporate Sustainability</p> <p>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:</p> <ul style="list-style-type: none">● FTSE4Good Criteria Index;● Bursa Malaysia Securities Berhad Sustainability Reporting Guidelines;● Global Reporting Initiative ("GRI") Sustainability Reporting Standards;● Task Force on Climate-Related Financial Disclosures ("TCFD");● United Nations Sustainable Development Goals;● United Nations Global Compact Ten Principles; and● Greenhouse Gas Protocol ("GHG Protocol") Accounting and Reporting Standards.

	<p>Supporting the formulation of action plans with defined objectives, targets and responsibilities to support the Group’s Sustainability Policy, framework, commitments and materiality matters.</p> <p>Coordinate with the Group’s business units and departments to address sustainability initiatives, in line with the Group’s materiality matters and applicable standards.</p> <p>Consolidate data and materials for monitoring, and performance measuring along with reporting against established objectives and targets.</p> <p>Manage the development and delivery of the Group’s sustainability reporting.</p> <p>2. Corporate Governance</p> <p>To support the Group in the aspect of compliance and corporate governance, including annual reporting, general meetings and corporate exercises - where applicable.</p> <p>3. Audit</p> <p>Sufficient knowledge of ISO 14000, the Intergovernmental Panel on Climate Change, GHG Conversion Factors and current developments in local carbon taxing progress.</p> <p>To fulfil FTSE4Good Index Series, GRI standards, GHG Protocol Accounting and Reporting Standards.</p>
--	---

Intended Outcome

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

Practice 5.1

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

Application	: Applied				
Explanation on application of the practice	<p>The NRC is responsible for ensuring 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 NRC also assists the Board in reviewing the tenure and annual re-election of the Board.</p> <p>According to the Company' Constitution, the re-election of Directors at the annual general meeting ("AGM") of the Company is governed by Clause 118 and Clause 119. Below are the details of the respective Clauses: -</p> <table border="1" data-bbox="560 1099 1406 1608"> <tr> <td data-bbox="560 1099 743 1373">Clause 118</td> <td data-bbox="743 1099 1406 1373"> <ul style="list-style-type: none"> ● Any director so appointed shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. ● Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments. </td> </tr> <tr> <td data-bbox="560 1373 743 1608">Clause 119</td> <td data-bbox="743 1373 1406 1608"> <ul style="list-style-type: none"> ● One-third ($\frac{1}{3}$) of the Directors are subject to retirement by rotation at every AGM and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. </td> </tr> </table> <p>Pursuant to Clause 119 of the Company's Constitution, Mr. Ramanathan a/l Sathiamutty ("Mr. Rama") and YM Tunku Abang Faisal Amir bin Abang Abu Bakar ("YM Tunku Abang Faisal Amir") shall retire at the forthcoming Thirteenth AGM of the Company, and being eligible, have offered themselves for re-election.</p> <p>On 25 May 2023, Mdm. Theresa Lim is appointed to the Board and pursuant to Clause 118 of the Company's Constitution, she shall retire at the forthcoming Thirteenth AGM of the Company, and being eligible, has offered herself for re-election.</p>	Clause 118	<ul style="list-style-type: none"> ● Any director so appointed shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. ● Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments. 	Clause 119	<ul style="list-style-type: none"> ● One-third ($\frac{1}{3}$) of the Directors are subject to retirement by rotation at every AGM and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.
Clause 118	<ul style="list-style-type: none"> ● Any director so appointed shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. ● Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments. 				
Clause 119	<ul style="list-style-type: none"> ● One-third ($\frac{1}{3}$) of the Directors are subject to retirement by rotation at every AGM and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. 				

	<p>In determining the eligibility of the Directors for re-election at the Thirteenth AGM, the Board through NRC, has assessed each of the retiring Directors, and considered the following: -</p> <ul style="list-style-type: none"> ▪ Based on the annual Board Effectiveness Evaluation (“BEE”) assessment results on the effectiveness of the Director’s contribution and performance of each individual Director. ▪ The independence declaration undertaken by retiring 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. ▪ Fit and proper declaration form undertaken by the retiring directors prior to re-election onto the Board. <p>Being satisfied with the performance of the abovenamed Directors, the NRC and in turn, the Board has recommended to the shareholders for approval.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied										
Explanation on application of the practice	:	<p>As at the end of financial year under review 30 June 2023, the Board consisted of nine (9) members, out of which 88.89% comprise of INEDs. 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>INED</td> <td>8</td> <td>88.89%</td> </tr> <tr> <td>Non-Independent Non-Executive Director (“NINED”)</td> <td>1</td> <td>11.11%</td> </tr> </tbody> </table> <p>All eight (8) INEDs have signed the Independent Director’s Declaration and satisfy the definition of independence as prescribed in Paragraph 1.01 of the Bursa Malaysia MMLR. They constitute 88.89% of the Board, which comprise the majority of the Board, notwithstanding the Company is not classified as a “Large Company”.</p> <p>Through the recommendation of the NRC, 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 INED and NINED are elaborated in the Board Charter, and this is made available on the Company’s website at https://www.awantec.my/governance.</p>		Designation	Number of Directors	Percentage (%)	INED	8	88.89%	Non-Independent Non-Executive Director (“NINED”)	1	11.11%
Designation	Number of Directors	Percentage (%)										
INED	8	88.89%										
Non-Independent Non-Executive Director (“NINED”)	1	11.11%										
Explanation for departure	:											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
Measure	:											
Timeframe	:											

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the INEDs has exceeded the cumulative term of nine (9) years during the financial year under review.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 – Step Up

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

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The recruitment and appointment process of new directors (including re-appointment) of the Directors is the responsibility of the NRC. In its selection of suitable candidates, the NRC refers to the Nomination Policy, Fit and Proper Policy, Diversity Policy as well as NRC TOR.</p> <p>Appointment process for Directors and senior management will be based on objective criteria, merit as well as dynamic skills, knowledge, experience, professional background, accomplishment, expertise, and diversity on the Board to support the growth and strategies of the Company.</p> <p>The NRC also undertakes adequate due diligence and background check of the potential candidate as a director and senior management prior to making the recommendation for the Board's consideration and approval.</p> <p>The current Board 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">● Accounting and auditing● Taxation● Finance● Legal● Economics● International Business● Business Operations● Information Technology● Investment● Strategic planning <p>The Company has adopted a Diversity Policy where diversity is broadly categorised into skills, expertise and experience, gender, age,</p>

	<p>independence and cultural background. The NRC 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, the NRC will conduct an annual assessment on the eligibility of the Directors for re-election at AGM based on the effectiveness of the Director’s contribution and performance of each individual director, the completed fit and proper declaration form as well as declaration of independence prior to recommended the same to the Board for approval.</p> <p>The Company also has adopted the Fit and Proper Policy to assess the fitness and propriety of the candidates that are 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"> a) Character and integrity – probity, personal integrity, financial integrity, reputation. b) Experience and competence – Qualifications, training and skills, relevant experience and expertise, relevant past performance or track record. c) Time and commitment – ability to discharge roles having regard to other commitments, participation and contribution in the board or track record. <p>The Directors’ commitment in carrying out their duties and responsibilities is reflected by their attendance at the Board and Board Committees meetings held during the financial year under review. All Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Malaysia MMLR.</p> <p>The Board is satisfied with the level of commitment and the time devoted by the Directors to discharge their duties as Directors of the Company.</p> <p>In line with Paragraph 15.06 of the Bursa Malaysia MMLR, none of the Directors hold more than five (5) directorships in any other public listed companies.</p> <p>The Diversity Policy as well as the Fit and Proper Policy is accessible on Awantec’s website at: https://www.awantec.my/governance.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 NRC considers a variety of factors in assessing the suitability of the proposed candidate.</p> <p>The NRC also undertakes adequate due diligence and background checks on the candidates before making recommendations to the Board for consideration and approval.</p> <p>Additionally, the NRC does not solely rely on recommendations from existing Board members, Management, or major shareholders. The Company has set the consideration of other varieties of approaches and independent sources to identify suitable candidates for the appointment of Directors as one of the key priorities to consider. This also applies to the appointment of senior management of the Company.</p> <p>During the reporting year, the Company has appointed one (1) INED and one (1) CEO. The NRC had undertaken several internal and external approaches including advertising on LinkedIn, direct sourced candidates, recommendations by the shareholders and through the network of the Board in sourcing the INED and CEO.</p> <p>The roles and responsibilities of the NRC are as prescribed in the NRC TOR and is made available on the Company's website at https://www.awantec.my/governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The information of appointment and reappointment of the Company Directors are further elaborated under Practices 5.1, 5.5 and 5.6 of this Report. Elaboration on the appointment of Director is as per pages 118 and 119 of the Corporate Governance Overview Statement in the Company's Annual Report 2023.</p> <p>Pursuant to Clause 118 of the Company's Constitution, Mdm. Theresa Lim shall retire at the forthcoming AGM and being eligible, has offered herself for re-election.</p> <p>Pursuant to Clause 119 of the Company's Constitution, Mr. Rama and YM Tunku Abang Faisal Amir 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>The Board recognizes that the Directors' performance is used as a basis in recommending their re-election to the shareholders. Through the BEE 2023 as well as the fit and proper assessment, the NRC had assessed the Director's eligibility for re-election and appointment by considering their effectiveness as individual performance of directors and collective performance of the Board and Board Committee, contribution, competencies, commitment, and independence.</p> <p>The NRC 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 NRC 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 above-named Directors' re-elections for shareholder's approval at the forthcoming AGM. Please refer to explanatory note 8(ii)&(iii) of the Notice of AGM for further elaboration.</p>

	The details of the above-named Directors' interest, position and experience are set out in pages 98 to 102 of the Company's Annual Report 2023 in respect of the Profile of Board of Directors as well as the Company's website at https://www.awantec.my/corporate-structure .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	Prof. Hassan, the INED of the Company, is presently the Chairman of the NRC of the Company. The NRC TOR is available on the Company's website at https://www.awantec.my/governance .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant of the importance of gender diversity amongst the Board to have a better quality of board decision.</p> <p>The Board is committed to maintaining diversity and inclusion in its composition as these values bring about multiple views and challenges common thinking patterns to arrive at good decisions. The Board is guided by its Diversity Policy, and it can be accessed on Awantec's website at https://www.awantec.my/governance/.</p> <p>Currently, the Board comprises three (3) women out of nine (9) Directors, which is equivalent to 33.33% of the total number of Directors. Below are the details of women Directors in Awantec: -</p> <ol style="list-style-type: none">1. Ms. Ginny Yeow Mei Ying (“Ms. Ginny”);2. Pn. Hafidah Aman binti Hashim (“Pn. Hafidah”); and3. Mdm. Theresa Lim. <p>The Company takes diversity not only at the Board level but also operational level as it is essential to a well-functioning organization and sustainable development of the Group. The Group’s employees are guided by the Equality, Diversity and Inclusion Policy, and as of the date of this statement, the women employees comprising of 54%. The said policy can be accessed on Awantec’s website at https://www.awantec.my/governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Diversity Policy which is made available on the Company's website at https://www.awantec.my/governance.</p> <p>This policy sets out the approach in achieving and maintaining diversity and inclusivity within the Board of Directors of the Company. Diversity in a Board can be broadly categorised into the following: -</p> <ol style="list-style-type: none">Skills, expertise and experienceGenderAgeIndependenceCultural background <p>The diversity is also applicable to all levels of employees' inclusive senior management. In line with its Human Rights Statement, the Group is committed to fostering equality, diversity and inclusion among our workforce, and eliminating unlawful discrimination. The Company's has established the Equality, Diversity and Inclusion Policy as well as Human Rights Statement which can be accessed on the Company's website at https://www.awantec.my/governance.</p> <p>For the financial year under review, 54% of the Group employees are female and three (3) of them are part of the senior management. The positions are as follows: -</p> <ul style="list-style-type: none">● Chief Business Officer – Pn. Siti Raha binti Mohd Ishtiaq;● Director, Human Resource & Administration – Pn. Yasmin binti Abdullah; and● Group Financial Controller – Pn. Ainun Mardziah binti Hashim. <p>Their profiles can be read in the Company's Annual Report 2023 in pages 103 to 105. Annual Report can be accessed at https://awantec.listedcompany.com/ar.html.</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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>Awantec is not classified as “Large Companies” as defined under Malaysian Code on Corporate Governance (“MCCG 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, integrities, capabilities and effectiveness of the Board and the Committees as well as individual Director.</p> <p>The evaluation process is led by the NRC and assisted by the Company Secretaries. Each Director provided feedback on the Board and the Board Committees performance 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 without any interference from the Board or Management.</p> <p>During the financial year under review, the Company has entrusted the Company Secretaries to facilitate the conduct of the BEE exercise through circulation of questionnaires. The BEE was carried out via an online system, namely Microsoft Forms.</p> <p>The assessment criteria used in the performance evaluations are as follows: -</p> <p>a) Board and Board Committees</p> <p>Board mix and composition, quality of information and decision making, boardroom activities, Board’s relationship with the management, ESG issues or Sustainability, roles and responsibility of the Board Committee.</p>

b) Individual Directors

Fit and proper, contribution and performance as well as calibre and personality.

c) AC and Individual AC member

Quality and composition, skills and competencies as well as meeting administration and conduct.

d) Independence of the INED

Declaration of Independent Directors.

Below are the results of the evaluation assessment during financial year under review: -

a) Effectiveness of the Board, as a whole, and the Committees of the Board

- (i) Board Performance: The assessment results reveal that the Board's effectively fulfils their roles and responsibilities where the Board is seen to be actively involved in the decision making and provide effective governance, bolstered by strong support from the Management of the Company. Additionally, the Board ensures the integrity of the Company is aligned with the regulatory requirements.
- (ii) Board Committees Performance: Overall, the Board Committee results indicate that the Committee members provide satisfactory support and value to the Board. Additionally, the Board Committees are able to discharge their functions and duties effectively in assisting the Board for better decision making.

b) Contribution and performance of each Individual director

The overall score indicates that the Board is capable of fully discharging its responsibilities in overseeing the Group, which is evident through the individual director's effective contribution, professionalism, and dedication, while also considering each individual Director's capacity to demonstrate objectivity and clear-thinking during deliberations in meetings.

c) Contribution and performance of the AC and each individual AC member

- (i) AC Performance: In the evaluation of the AC, the terms of office and performance of the AC is evaluated by the NRC annually. The results indicate that the AC has carried out their responsibilities and duties effectively in providing sound advice.

	<p>(ii) AC Members' Self/Peer performance: Based on the assessment results, indicate that the AC members are able to understand and discharge their functions and duties effectively.</p> <p>d) Independence of the INED</p> <p>The NRC is of the view that all the INEDs have complied with the independence criteria as set out by Bursa Malaysia MMLR. The INEDs have raised their concerns or expressed their views on issues with regards to the performance and operations of the Group.</p> <p>The evaluation and the finding results were reviewed by the NRC and subsequently presented to the Board on 9 October 2023. The Board noted the findings and areas that require further improvements.</p> <p>Based on the findings of the BEE results, the Board is satisfied with the performance and effectiveness of the individual, the Board and the Board Committees in providing guidance and sound advice to the growth of the Company moving forward.</p> <p>The previous BEE for 2022 was conducted by an independent consultant namely CG Board Asia Pacific Sdn. Bhd. ("CGB"). Further to the findings and recommendations by CGB, the Company has made some improvements and enhancements to the following: -</p> <ul style="list-style-type: none"> ● Strengthening the Board's composition and diversity. As at the date of this report, the Board comprises of three (3) women directors, and six (6) male directors with solid business skills, relevant industry knowledge and experience; ● Developed an effective Board and senior management Succession Planning Framework; ● Sustainability of talent pool and the right talents for the Company to grow the business by providing attractive salaries and bonus; ● The timeliness of the dissemination of Board information and meeting time improved during the financial year 2023 with the Board members spending adequate time to address and deliberate key issues and strategies of the Company within the prescribed time.
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

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

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.

<p>Application :</p>	<p>Applied</p>
<p>Explanation on application of the practice :</p>	<p>The Company has in place 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 https://www.awantec.my/governance.</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 style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Fixed</p> <p>Linked to job scope, responsibility, and accountability</p> <p>Base Salary + Fixed Benefits</p> </div> <div style="text-align: center;"> <p>Variable</p> <p>Linked to individual KPI performance</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p>Short Term Incentives Bonus + Cash Incentives</p> </div> <div style="text-align: center;"> <p>Long Term Incentives Shares Option Career Enhancement</p> </div> </div> </div> </div>

	<p>Base salary is fixed determined based on skills, competencies, responsibilities and performance taking into consideration market competitive level.</p> <p>Meanwhile, the long-term variable components through shares option and career enhancement within the Group 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 NRC, 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 NRC 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="443 1120 1407 1444"> <thead> <tr> <th data-bbox="443 1120 925 1187">Fixed</th> <th data-bbox="925 1120 1407 1187">Variable</th> </tr> </thead> <tbody> <tr> <td data-bbox="443 1187 925 1444"> <ul style="list-style-type: none"> ● Board Fee ● Committee Fee ● Benefits <ul style="list-style-type: none"> ➢ Directors and Officers Liability Insurance ➢ Benefits-in-kind </td> <td data-bbox="925 1187 1407 1444"> <ul style="list-style-type: none"> ● Meeting Allowance ● Other Emoluments </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 AGM of the Company.</p> <p>This Remuneration 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>	Fixed	Variable	<ul style="list-style-type: none"> ● Board Fee ● Committee Fee ● Benefits <ul style="list-style-type: none"> ➢ Directors and Officers Liability Insurance ➢ Benefits-in-kind 	<ul style="list-style-type: none"> ● Meeting Allowance ● Other Emoluments
Fixed	Variable				
<ul style="list-style-type: none"> ● Board Fee ● Committee Fee ● Benefits <ul style="list-style-type: none"> ➢ Directors and Officers Liability Insurance ➢ Benefits-in-kind 	<ul style="list-style-type: none"> ● Meeting Allowance ● Other Emoluments 				
<p>Explanation for departure</p>					

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is made up wholly of four (4) INEDs and is presently chaired by Prof. Hassan.</p> <p>The RC's objectives are to set out the policies and procedures on the remuneration framework, including reviewing and recommending to the Board matters relating to the remuneration package for the Executive Director, Non-Executive Director, and senior management employees of the Company.</p> <p>The Remuneration Policy sets out to provide remuneration principles and guidelines for members of the Board and senior management of the Company which takes into account the demands, complexities and performance of the Company as well as skills, knowledge and experience required.</p> <p>There is a clear distinction between the remuneration structure of the Non-Executive Director, Executive Director, and senior management as follows: -</p> <ul style="list-style-type: none">a) The component parts of remuneration for Executive Directors and senior management staff are linked to corporate and individual performance; andb) The component parts of remuneration for Non-Executive Directors are linked to their experience and levels of responsibilities undertaken. <p>The NRC 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</p>

	<p>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 NRC also reviews the compensation and remuneration package for the Executive Directors and senior management of the Company that commensurate with the skills and experience needed to manage the Company’s business successfully.</p> <p>Disclosures of the activities of the NRC in 2023 are provided in page 138 of the Company’s Annual Report 2023.</p> <p>Details of authority and duties are set out in the NRC TOR and is available on the Company’s website at https://www.awantec.my/governance.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during the financial year ended 30 June 2023 are as follows: -

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	108	Input info here	Input info here	Input info here	Input info here	13	121	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Paul Chan Wan Siew (Retired w.e.f. 24 Nov 22)	Independent Director	30	Input info here	Input info here	Input info here	Input info here	23	53	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Ramanathan a/l Sathiamutty	Independent Director	567	Input info here	Input info here	Input info here	Input info here	48	615	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Ginny Yeow Mei Ying	Independent Director	72	Input info here	Input info here	Input info here	Input info here	25	97	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Professor Emeritus Dato' Dr. Hassan bin Said	Independent Director	72	Input info here	Input info here	Input info here	Input info here	43	115	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Hafidah Aman binti Hashim	Independent Director	72	Input info here	Input info here	Input info here	Input info here	41	113	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	YM Tunku Abang Faisal Amir bin Abang Abu Bakar	Independent Director	72	Input info here	Input info here	Input info here	Input info here	11	83	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	Independent Director	72	Input info here	Input info here	Input info here	Input info here	13	85	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Lim Saw Imm (Appointed w.e.f. 25 May 23)	Independent Director	8	Input info here	Input info here	Input info here	Input info here	Input info here	8	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Dr. Abu Hasan bin Ismail	Non-Executive Non-Independent Director	66	Input info here	480	Input info here	Input info here	1	547	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Rezal Adzly bin Abdul Rahman	Executive Director	Input info here	Input info here	62	Input info here	Input info here	155	217	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

	<i>(Resigned w.e.f. 29 July 22)</i>															
12	Baldesh Singh a/ Manmohan Singh <i>(Resigned w.e.f. 3 Oct 22)</i>	Executive Director	Input info here	Input info here	117	Input info here	Input info here	159	276	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
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	The Company discloses the remuneration of senior management who are not members of the Board in named basis, the details of which are as follows: -	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Azlan bin Zainal Abidin <i>(Appointed w.e.f. 1 June 2023)</i>	Chief Executive Officer	50,001-100,000	Choose an item.	Choose an item.	Choose an item.	0-50,000	50,001-100,000
2	Chok Joon Heng	Chief Operating Officer	350,001-400,000	Choose an item.	50,001-100,000	Choose an item.	50,001-100,000	550,001-600,000
3	Siti Raha binti Mohammad Ishtiaq	Chief Business Officer	350,001-400,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	400,001-450,000
4	Lee Fuei Siong	Director, Talent and Development	350,001-400,000	Choose an item.	Choose an item.	Choose an item.	50,001-100,000	450,001-500,000
5	Yasmin binti Abdullah	Director, Human Resource and Administration	300,001-350,000	Choose an item.	50,001-100,000	Choose an item.	0-50,000	400,001-450,000

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is chaired by Mdm. Theresa Lim and the members are Mr. Rama, Prof. Hassan and Pn. Hafidah, all of whom are Independent Directors, whereas the Chairman of the Board is En. Syed Naqiz and he is not an AC member, consistent with Practice 1.4 of the MCG 2021 and the AC TOR of the Company.</p> <p>The Chairperson is a member of the Malaysian Institute of Accountants ("MIA") with vast knowledge and experience and is recognized for her leadership and acknowledged by the members who could lead the AC in overseeing areas of internal control environment, related party transactions, and other financial related matters.</p> <p>The profile of AC Chairperson is available on page 102 of the Company's Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC TOR indicates 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 key audit 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 members of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC has adopted performance evaluation of External Auditors on an annual basis. A survey was coordinated by the Company Secretary and assessments on the effectiveness of the External Auditor, were performed by Members of the Audit Committee 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted										
Explanation on adoption of the practice	:	<p>The AC TOR states that the AC shall comprise solely of INEDs.</p> <p>Following shows the composition of the AC during the financial year under review: -</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Lim Saw Imm</td><td>Chairperson <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Ramanathan a/l Sathiamutty</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Professor Emeritus Dato' Dr. Hassan bin Said</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Hafidah Aman binti Hashim</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr></tbody></table>	Name	Designation	Lim Saw Imm	Chairperson <i>(Independent Non-Executive Director)</i>	Ramanathan a/l Sathiamutty	Member <i>(Independent Non-Executive Director)</i>	Professor Emeritus Dato' Dr. Hassan bin Said	Member <i>(Independent Non-Executive Director)</i>	Hafidah Aman binti Hashim	Member <i>(Independent Non-Executive Director)</i>
Name	Designation											
Lim Saw Imm	Chairperson <i>(Independent Non-Executive Director)</i>											
Ramanathan a/l Sathiamutty	Member <i>(Independent Non-Executive Director)</i>											
Professor Emeritus Dato' Dr. Hassan bin Said	Member <i>(Independent Non-Executive Director)</i>											
Hafidah Aman binti Hashim	Member <i>(Independent Non-Executive Director)</i>											

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 NRC, which is conducted on an annual basis, the NRC 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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 Company’s Annual Report provides an overview of the internal control within the Group during the financial year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board via the RMC oversees the risk management of the Group.</p> <p>The RMC, with the assistance of 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 Company’s Annual Report provides an overview of the internal control within the Group during the financial year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The RMC is made up of a majority of Independent Directors with the following members: -</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Ramanathan a/l Sathiamutty</td><td>Chairman <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Dr. Abu Hasan bin Ismail</td><td>Member <i>(Non-Independent Non-Executive Director/Founder Mentor)</i></td></tr><tr><td>Ginny Yeow Mei Ying</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr></tbody></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>	Name	Designation	Ramanathan a/l Sathiamutty	Chairman <i>(Independent Non-Executive Director)</i>	Dr. Abu Hasan bin Ismail	Member <i>(Non-Independent Non-Executive Director/Founder Mentor)</i>	Ginny Yeow Mei Ying	Member <i>(Independent Non-Executive Director)</i>
Name	Designation									
Ramanathan a/l Sathiamutty	Chairman <i>(Independent Non-Executive Director)</i>									
Dr. Abu Hasan bin Ismail	Member <i>(Non-Independent Non-Executive Director/Founder Mentor)</i>									
Ginny Yeow Mei Ying	Member <i>(Independent Non-Executive Director)</i>									

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>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, the decision was taken to outsource the Internal Audit activities to KPMG Management and Risk Consulting Sdn. Bhd. (“KPMG MRC”), 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>During 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has outsourced its internal audit function to KPMG MRC. The internal audit engagement by KPMG MRC is headed by Mohd Khaidzir Shahari (“Encik Khaidzir”), an Executive Director and Head of Risk Consulting of KPMG MRC. Encik Khaidzir is a Chartered Accountant with professional membership in the Association of Certified Management Accountant, the Institute of Internal Audit of Malaysia, and MIA. Encik 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 is a total of seven (7) personnel deployed by KPMG MRC for the internal audit work for the financial year ended 30 June 2023. 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied								
Explanation on application of the practice	:	<p>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 https://www.awantec.my/governance.</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>In addition, minutes of the AGM together with the summary of questions and answers during the meeting are published on the Company's website at https://ir.awantec.my/shareholders_meeting.html</p> <p>The Group maintain the following website that allows all shareholders and investors to have access with the latest information on the corporate and business aspects of the Group: - https://awantec.listedcompany.com/home.html</p> <p>Any further information regarding the Group may also be obtained from the following communication channels: -</p> <table border="1"><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>	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									

	<p>The Company also provided channel for stakeholders to provide their views and feedback including complaints at: ir@awantec.my</p> <p>All the communication channels stated above are available at all times and the Company acknowledges and addresses stakeholders' views, feedback, or complaints in an appropriate manner.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has adopted integrated reporting for the Company's Annual Report 2023 based on the International Integrated Reporting Framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual Report, which contains the Notice of AGM, 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.</p> <p>The Notice of AGM, which sets out the businesses to be transacted at the AGM, 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 provide detailed explanation for each proposed resolution to enable the shareholders to make informed decisions in exercising their voting rights. Whereas the Administrative Guide which furnishes useful information regarding the mode of conduct of the AGM with the explanatory guide on the remote participation and voting were circulated to the shareholders together with the Notice of the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors 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 2022, all nine (9) Directors attended the AGM.</p> <p>Other than Directors, several key senior management, Messrs. Crowe Malaysia PLT, Company Secretaries, the Scrutineers as well as the Chairperson of AC, NC, RC, RMC, and BOC were also present at the Broadcast Venue to provide necessary information and support during the AGM proceedings.</p> <p>The COO presented the Group's operating and financial performance for year 2022 during the AGM for the information of the shareholders/proxies present.</p> <p>In efforts to encourage shareholders' participation, the shareholders were allowed to send questions to the Company prior to the AGM via email as advised in the Company's notification letter.</p> <p>For shareholders and proxies who attended the AGM remotely, they could use the text messaging facility provided under the online meeting platform to transmit their questions in real time during the AGM. The Meeting would proceed with the question and answer ("Q&A") session upon completion of the deliberations of all items to be transacted at the AGM. The Board and Management in attendance responded to the questions submitted.</p> <p>The Company endeavours to respond to all questions relevant to the agenda items during the AGM, and that any unattended question or remark submitted by the shareholders or proxies would be responded via email after the conclusion of the AGM.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Twelfth AGM of the Company held on 24 November 2022 was conducted on a virtual basis.</p> <p>Awantec sought services from the Boardroom Share Registrar Sdn. Bhd. ("Share Registrar") to provide remote participation and voting facilities ("RPV") to conduct the AGM. The Share Registrar was also appointed as the Company's Poll Administrator.</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 Twelfth AGM of the Company.</p> <p>SKY Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineer by the Company to verify the poll results at the Twelfth AGM of the Company. The adoption of electronic poll voting at the Twelfth AGM ensures accurate and more transparent voting results and is a more efficient process. The poll results were announced by the Company via Bursa LINK on the same day for the benefit of all shareholders.</p> <p>Proactive measures were taken by the Independent 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 that ensures that only registered shareholders are allowed to attend and participate in the virtual AGM 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

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>At the Twelfth AGM of the Company held on 24 November 2022, the COO presented to the shareholders on the Group's operating and financial performance for year 2022 and shared the replies to the Minority Shareholders Watch Group's ("MSWG") questions during the meeting.</p> <p>The shareholders were allowed to send questions up to forty-eight (48) hours prior to the AGM by emailing to the Company's email at ir@awantec.my. 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.</p> <p>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.</p> <p>All pertinent questions were answered live by the Chairman and COO. Any unattended question or remark submitted by the shareholders or proxies would be responded via email after the conclusion of the meeting.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

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

Intended Outcome

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

Practice 13.5

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

<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. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Company has successfully organized virtual AGM for three (3) years. This enables the Company to commit and strengthen the way of moving forward to leverage digitalization in this new digital era.</p> <p>The Twelfth AGM was held on a virtual basis at the broadcast venue located at DoubleTree by Hilton Lakeside Putrajaya. 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 performs a dry run prior to the scheduled event of AGM to ensure the required infrastructure and tools are in place. This also prevents any potential technical glitches from happening and ensures sufficient capacity to manage a large audience size.</p> <p>All shareholders were allowed to pose questions which were answered live by the Chairman, COO, and senior management during the meeting.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the Twelfth AGM was made available to the shareholders by posting on the Company's website on 2 December 2022, within thirty (30) business days after the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

Click or tap here to enter text.