



# **AWANBIRU TECHNOLOGY BERHAD**

[Reg. No. 201001038336 (922260-K)]  
(Incorporated in Malaysia)

## **NOMINATION POLICY**

**Updated as at 9 October 2024**

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## 1. OBJECTIVES

The objective of this Nomination Policy (the “**Policy**”) is to describe the process to be undertaken by the Nomination and Remuneration Committee (“**NRC**”) to assist the Board of Directors (“**Board**”) of AwanBiru Technology Berhad (“**Awantec**” or “**Company**”) and its subsidiaries (“**Group**”) in ensuring that it has an effective composition of Board members to discharge its stewardship responsibilities and objectives in: -

- 1.1 Making recommendations to the Board on the appointment, re-appointment or re-election of Directors, and succession planning for Directors; and
- 1.2 Continuous assessment of the effectiveness of the Board and individual Directors.

## 2. SELECTION CRITERIA

2.1 When assessing the suitability of any proposed candidate for appointment, re-appointment, or re-election to the Board, the NRC Committee shall consider a range of factors, including but not limited to the following: -

- (a) Reputation for integrity;
- (b) Accomplishment, experience and reputation in the technology industry and other relevant sectors;
- (c) Commitment in respect of sufficient time, interest and attention to the Company’s business;
- (d) Diversity in all aspects, including but not limited to gender, age, cultural / educational and professional background, skills, knowledge and experience;
- (e) The ability to assist and support Management and make significant contributions to the Company’s success;
- (f) Compliance with the criteria of independence as prescribed under Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**MMLR**”) for the appointment of an Independent Non-Executive Director;
- (g) Any potential conflicts of interest that may affect the candidate's appointment to the Board;
- (h) Any other relevant factors as may be determined by the NRC or the Board from time to time.

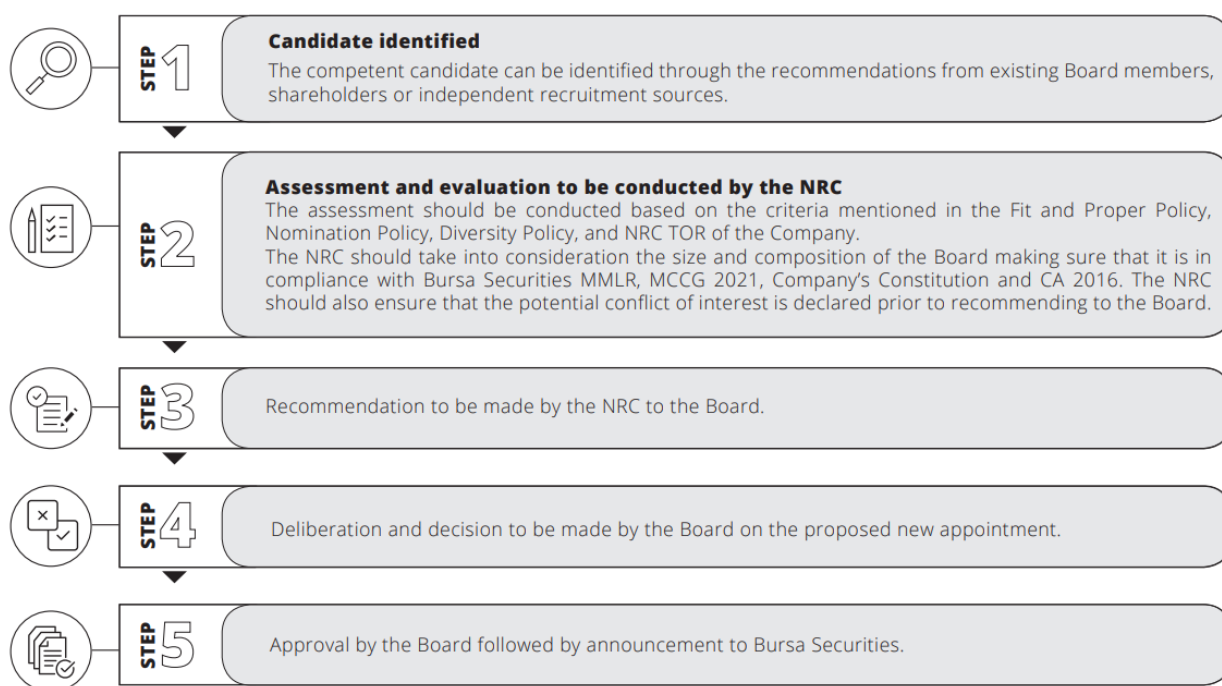
***Note:** The above factors are not exhaustive but merely serves as a guidance in looking for suitable candidates as Director.*

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- 2.2 Other than the above factors, the NRC will ensure that the selection, nomination, appointment and re-election or re-appointment of suitable candidates to the Board and its subsidiaries follow and be guided by the policies and processes as set out below: -
- (a) Remuneration Policy;
  - (b) Fit and Proper Policy;
  - (c) Diversity Policy;
  - (d) Conflict of Interest Policy; and
  - (e) NRC Terms of Reference (“**TOR**”).
- 2.3 The appointment of any new proposed candidate to the Board or re-appointment or re-election of any existing member(s) of the Board shall be made in accordance with the Company’s Constitution, Companies Act 2016 (“**CA 2016**”) and other applicable rules and regulations.

### **3. NOMINATION PROCEDURES**

- 3.1 The Company Secretary shall convene a meeting and invite nominations of candidates from Board members (if any), for consideration by the NRC. The NRC may also nominate candidates for its consideration.
- 3.2 In the process of appointing any proposed candidate to the Board, the NRC, with assistance from the Company's Corporate Human Resource Committee, shall conduct thorough due diligence and background checks on the individual. Based on this assessment, the NRC will then make recommendations for the Board's consideration and approval.
- The NRC does not solely rely on recommendations from existing Board members, Management, or major shareholders in identifying experienced and qualified candidates. Instead, it employs both internal and external approaches to ensure the suitability of candidates. The Company prioritizes the consideration of various independent sources to identify suitable candidates for Director appointments.
- 3.3 In the context of re-appointing or re-electing any current member(s) of the Board, the NRC Committee shall provide recommendations to the Board for its consideration and decision. These recommendations will be based on the results of the annual evaluation, independence declaration, and Fit and Proper Declaration Form. The proposed candidates are considered for re-appointment or re-election as Directors subject to retirement by rotation as stipulated in the Company’s Constitution or CA 2016. This process occurs annually at each Annual General Meeting (“**AGM**”).
- 3.4 Pursuant to Practice 5.3 of Malaysian Code on Corporate Governance 2021 (“**MCCG**”), the tenure of an Independent Director does not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

- 3.5 In the context of retention of Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process. To justify retaining an Independent Director beyond the term limit of nine (9) years, the Board should undertake a rigorous review to determine whether the "independence" of the director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.
- 3.6 The Board through the NRC shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.
- 3.7 The Management shall issue a formal letter of appointment to new Board which outline the roles, responsibilities, expected time commitment, Board Committee involvement and expectations of them as a Board member.
- 3.8 The table below demonstrates the process on appointing new Directors of the Company: -



#### 4. PERFORMANCE EVALUATION

- 4.1 The Board Performance Evaluation has taken into account the enumerations from the relevant corporate governance promulgations including the CA 2016, Capital Markets and Services Act 2007, Main Market Listing Requirements ("MMLR") and MCCG. Where applicable, references were also drawn from other better practices.
- 4.2 The NRC shall conduct an annual evaluation of individual performance of directors and

collective performance of the Board and Board Committees.

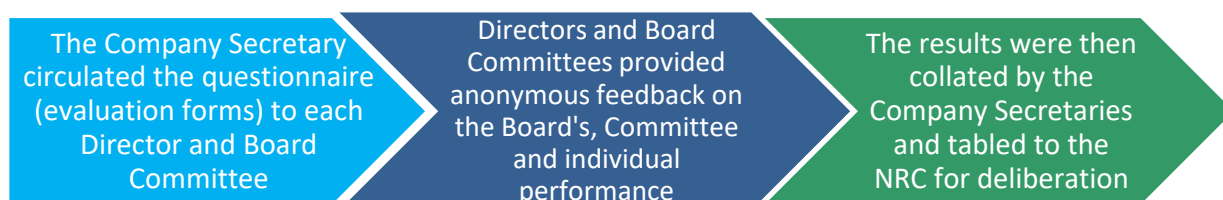
- 4.3 In discharging the above responsibilities, the NRC needs to report the following to the Board: -
- i. The effectiveness of the present size of the Board and Board Committees;
  - ii. The effectiveness of the composition of the Board and Board committees in relation to the mix of Independent Directors, Non-Executive Directors and Executive Directors;
  - iii. The effectiveness of the composition of the Board and Board Committees in relation to the mix of skills, knowledge, expertise, experience, professionalism, integrity and other qualities, including core competencies which Non-Executive Directors should bring to the Board;
  - iv. The existence or potential existence of conflict of interests, of any present Directors or any new Directors who may be nominated, with the businesses of the Company;
  - v. To assess the independence of the Independent Directors of the Company;
  - vi. The contribution of individual directors in relation to the effective decision making of the Board; and
  - vii. To determine a continuous education program for Board members to upgrade their skills in enhancing their effective contribution.
- 4.4 The set of criteria for the assessment of all Directors including Independent Directors are enumerated below: -

<b>Criteria for Board Evaluation</b>	<b>Criteria for Individual Director Evaluation</b>
<ul style="list-style-type: none"> <li>• Assessment of achievement against mandate.</li> <li>• Knowledge of ESG issues or Sustainability.</li> <li>• Evaluation of organisation performance against industry norms and measurement of performance indicators.</li> <li>• Achievement of Board objectives, quality of decisions (value-adding).</li> <li>• Ability to conduct business honestly, ethically and professionally.</li> <li>• Effective committee structures.</li> <li>• Collective responsibility and</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of the fitness and propriety.</li> <li>• Contribution and performance.</li> <li>• Commitment in terms of time and effort.</li> <li>• Attendance at Board meetings.</li> <li>• Ability to participate actively and contribute.</li> <li>• Exposure to orientation, upgrading knowledge base.</li> <li>• Knowledge of company, industry;</li> <li>• Understanding company's mission, vision, strategic plans;</li> <li>• Bringing special expertise to the</li> </ul>

<p>teamwork demonstrated.</p> <ul style="list-style-type: none"> <li>• Compliance with Malaysian Code of Corporate Governance and MMLR.</li> <li>• Frequency and duration of Board meetings; relevance and completeness of agendas.</li> <li>• Information and advice received was relevant, adequate and timely.</li> <li>• Effective reporting – disclosure, transparency, clarity.</li> <li>• Monitoring and feedback process effective.</li> <li>• Ability to innovate, change, improve and learn.</li> <li>• Ability to engage and interact with stakeholders (including staff) effectively.</li> </ul>	<p>Board.</p> <ul style="list-style-type: none"> <li>• Team player.</li> <li>• No conflict of interest.</li> </ul>
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4.5 The evaluation forms shall be circulated by the Company Secretary to each of the Directors to complete the Board, Board Committees and individual performance evaluation. The Company Secretary is then responsible to tabulate the results and present to the NRC together with agreed action plans to address the gaps, if any, for deliberation and onward submission to the Board.

4.6 Typical process of Board evaluation of the Company is as depicted below: -



**5. DISCLOSURE OF THE POLICY**

5.1 This Policy is accessible on the Company’s website for public information.

5.2 A summary of this Policy, and the progress on achieving the objectives set in this Policy, will be disclosed in the Annual Report of the Company annually.

**6. REVIEW OF THE POLICY**

This Policy shall be reviewed periodically by the NRC 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; any recommendation for its revision will be highlighted to the Board for approval.