



# **AWANBIRU TECHNOLOGY BERHAD**

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

## **TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**Updated as at 5 July 2021**

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## 1. OBJECTIVES

The objective of the Nomination Committee ("**NC**") of AwanBiru Technology Berhad ("**Awantec**" or the "**Company**") and its subsidiaries (the "**Group**") is to assist the Board of Directors ("the "**Board**") in ensuring that it has an effective composition of Board members to discharge its stewardship responsibilities in undertaking the principal responsibilities of the Board explicitly described in the Malaysian Code on Corporate Governance ("**MCCG**").

In discharging these objectives, the NC shall: -

- 1.1 Assess the effectiveness of the Board on an on-going basis, including the required mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- 1.2 Annually assess the performance of the Board as a whole, the Board Committees and contribution of each individual director; and
- 1.3 Propose new candidates for the Board of the Group for consideration by the Board of the Company and to ensure the candidates satisfy the relevant requirements on skills, core competencies and experiences.

## 2. COMPOSITION AND APPOINTMENT

- 2.1 The NC shall be appointed by the Board from amongst their members and shall consist of not less than three (3) members, exclusively of Non-Executive Directors, a majority of whom must be Independent.
- 2.2 The Chairman of the NC shall be the Independent Non-Executive Director or Senior Independent Non-Executive Director of the Company.
- 2.3 The members of the NC shall elect a Chairman or Chairperson from among their number.
- 2.4 No alternate Director shall be appointed as a member of the NC.
- 2.5 In the event of any vacancy in the NC resulting in the non-compliance of items 2.1, the vacancy must be filled within three (3) months of the event.
- 2.6 The Board must review the term of office and performance of the NC and each of its members at least once every three (3) years to determine whether the NC and members have carried out their responsibilities and duties in accordance with the terms of reference.

### 3. RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the NC shall include, but are not limited to the following:-

- 3.1 To consider and recommend to the Board for approval the competent candidates recommended by the shareholders, Board or independent recruitment sources to be appointed as Directors of the Company and its subsidiaries or as key management of the Company, as and when the need arises.
- 3.2 To review training programmes for the Board and facilitate board induction and training programmes.
- 3.3 To recommend to the Board on the establishment of new committees or the dissolution of any existing committees of the Board which no longer serves its purpose.
- 3.4 To recommend to the Board to fill the seats on any Board Committees.
- 3.5 To review Board's succession planning and ensure the composition of the Board is refreshed periodically.
- 3.6 To develop, maintain and review the criteria to be used in the recruitment process (see Appendix 1 for criteria set by the Board). The nomination and election process should be disclosed in the Annual Report as appropriate.
- 3.7 To ensure that the appointment directors to the Board and senior management are based on objective criteria, merit and with due regard to diversity in skills, experience, age, cultural background and gender.
- 3.8 To establish and review the performance criteria to evaluate the performance of the Board as a whole, Board Committees and individual director.
- 3.9 To ensure that the annual evaluation of the Board, its Committees and each individual is carried out (see Appendix 1 for criteria).
- 3.10 To review the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the Terms of Reference of the Audit Committee.
- 3.11 To establish and review the criteria to evaluate the independency of each of the Independent Directors.
- 3.12 To recommend the re-election or re-appointment of Directors subject for retirement by rotation pursuant to the Company's Constitution or Companies Act 2016 on annual basis at each Annual General Meeting ("AGM").
- 3.13 To review the independency of the Independent Director who has served for more than nine (9) years' tenure for continuation in the office as an Independent Director.

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- 3.14 To recommend to the Board the gender diversity policies and targets, as well as the measures taken to meet those targets.
- 3.15 To ensure that a formal letter of appointment issued to new Board Members to outline the roles, responsibilities, expected time commitment, Board Committee involvement and expectations of them as a Board Member.

In discharging the above responsibilities, the NC needs to report the following to the Board:-

- i. The effectiveness of the present size of the Board;
- ii. The effectiveness of the composition of the Board in relation to the mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board, and which should be disclosed in the Annual Report;
- iii. 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;
- iv. The contribution of individual director in relation to the effective decision making of the Board; and
- v. The continuous education program for Board members to upgrade their skills in enhancing their effective contribution.

#### **4. AUTHORITY OF THE NOMINATION COMMITTEE**

- 4.1 Upon the Board's authorization, the NC shall, whenever necessary and reasonable, perform its responsibilities and duties as set out below in accordance with a procedure to be determined by the Board:-
- 4.1.1. Have the authority to investigate and review any matter or activity within its terms of reference;
  - 4.1.2. Have the resources or seek any information it may require from any Director or member of management which are required to perform its duties;
  - 4.1.3. Have full and unrestricted access to any information pertaining to the Company and the Management, and all employees of the Group are required to comply with the requests made by the NC;
  - 4.1.4. Be able to obtain external professional advice and secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary; and
  - 4.1.5. Provide its recommendations to the Board for its consideration and approval.

#### **5. MEETINGS**

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**5.1. Frequency**

- 5.1.1. The NC shall meet at least once a year and at such additional meetings, as the Chairman shall decide, in order to fulfill its duties.
- 5.1.2. By invitation of the NC, the Company shall ensure that other directors and employees attend any particular committee meeting where their attendance is required in relation to a specific meeting.

**5.2. Quorum**

- 5.2.1. The meeting shall have a quorum of three (3) members, one of whom shall be an Independent Non-Executive Director.
- 5.2.2. In the absence of the Chairman, the members present shall elect a Chairman or Chairperson from amongst them to Chair the meeting.

**5.3. Secretary**

- 5.3.1. The Company Secretary or other appropriate senior official shall act as Secretary of the NC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

**5.4. Meeting Minutes**

- 5.4.1. The Secretary shall be responsible for keeping the minutes of meetings of the NC, including the names of those present and in attendance and circulating them to committee members and to other members of the Board.
- 5.4.2. Minutes shall be distributed to NC members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.
- 5.4.3. Relevant members of Management shall be provided with the minutes and Matters Arising for follow up on key actions required.

**5.5. Meeting Mode**

- 5.5.1. All or any members of the NC shall normally be conducted face-to-face to enable effective and efficient discussion, however in certain circumstances may participate in a meeting by teleconference or videoconference or other appropriate means as determined by the NC.
- 5.5.2. A person so participating is deemed to be present in person at the meeting and shall be counted in quorum accordingly.

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## 5.6 Voting

- 5.6.1 All resolutions of the NC shall be adopted by a simple majority vote, each member having one vote.
- 5.6.2 An NC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

## 5.7 Decisions by Circular Resolutions

- 5.7.1. A resolution in writing signed either digitally or by hand or approved by letter, or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting.
- 5.7.2. All such resolutions shall be described as "**Nomination Committee Members' Circular Resolution**" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book.
- 5.7.3. Any such resolution may consist of several documents in like form, each signed by one or more members.

## 5.8. Notice and Agenda

- 5.8.1. Meetings of the NC shall be called by the Secretary at the request of the committee Chairman.
- 5.8.2. Unless otherwise agreed, reasonable notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded at least five (5) working days prior to the meeting held to each member of the NC Committee and any other person required to attend.
- 5.8.3. The NC meeting agendas shall be the responsibility of the Chairman of the NC Committee with input from other members and where necessary, the agenda shall include input from other persons deemed appropriate to participate in this process and assisted by the Company Secretary.
- 5.8.4. Supporting papers shall be sent to the NC Committee members and other attendees as appropriate, at the same time of the above item 5.8.2.
- 5.8.5. The notice of each meeting shall be served to the member either personally or by fax or e-mail or by post by courier to his registered address as appearing in the Register of Directors or to the address provided by the NC Committee member, as the case may be.

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**6. REVIEW OF THE TERMS OF REFERENCE**

The Terms of Reference shall be reviewed periodically by the NC 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.

<p><b>Adopted by Board: 17 April 2012</b> <b>Updated and adopted by Board on: 17 October 2013</b> <b>Updated and adopted by Board on: 5 July 2021</b></p>
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**APPENDIX 1**

- 1.1** When making recommendations regarding the appointment of any proposed candidate

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to the Board or re-appointment of any existing member(s) of the Board, the Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate: -

- (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 Main Market Listing Requirements ("MMLR") for the appointment of an Independent Non-Executive Director; and
- (g) Any other relevant factors as may be determined by the Committee or the Board from time to time.

**1.2** In the annual evaluation of the Board, its Committees and the individual directors, the Board should consider the following: -

- (a) The current board competencies against those required to drive the company's future strategies;
- (b) Will and ability of the directors to critically challenge and ask the right questions;
- (c) Character and integrity of the directors in dealing with potential conflict of interest situations;
- (d) Commitment of the directors to serve the Company; and
- (e) Confidence of the directors to stand up for a point of view.