



AWANBIRU TECHNOLOGY BERHAD

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

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Updated as at 5 July 2021

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1. OBJECTIVES

- 1.1. The objective of the Remuneration Committee (“**RC**”) is to assist the Board of Directors (“**the Board**”) of AwanBiru Technology Berhad (“**Awantec**” or the “**Company**”) and its subsidiaries (the “**Group**”) in ensuring that it has a competitive remuneration package to attract and retain Directors and Senior Management defined as President/Group Chief Executive Officer [(“**CEO**” or “**CEOs**”), Chief Operating Officer (“**COO**”), Chief Financial Officer (“**CFO**”) and Chief Business Officer (“**CBO**”)] (both present and potential future) (“**Senior Management**”) needed to run the Company successfully.
- 1.2. To set out the policies and procedures on remuneration including reviewing and recommending to the Board matters relating to the remuneration package for the Executive Director, Non-Executive Directors and Senior Management staff of the Company.
- 1.3. In discharging these objectives, the RC shall ensure that: -
 - 1.3.1. The component parts of remuneration for Executive Directors and Senior Management staff are linked to corporate and individual performance; and
 - 1.3.2. The component parts of remuneration for Non-Executive Directors are linked to their experience and levels of responsibilities undertaken.

2. COMPOSITION AND APPOINTMENT

- 2.1. The RC shall be appointed by the Board from amongst their members and shall consist of not less than three (3) members, only of Non-Executive Directors, a majority of whom must be Independent.
- 2.2. The Chairman of the RC shall be the Independent Non-Executive Director or Senior Independent Non-Executive Director of the Company.
- 2.3. The members of the RC shall elect a Chairman or Chairperson from among their number.
- 2.4. No alternate Director shall be appointed as a member of the RC.
- 2.5. In the event of any vacancy in the RC resulting in the non-compliance of item 2.1, the vacancy must be filled within three (3) months of the event.

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- 2.6. The Board must review the term of office and performance of the RC and each of its members at least once every three (3) years to determine whether the RC 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 RC shall include, but are not limited to the following:

- 3.1 To recommend to the Board a competitive Compensation and Remuneration package for Executive Directors and Senior Management in order to attract and retain outstanding individuals with the skills and experience needed to manage the Company's business successfully;
- 3.2 To recommend to the Board a competitive Compensation and Remuneration package for Non-Executive Directors in order to attract and retain outstanding individuals of integrity, calibre, credibility and who have the necessary skills and experience to bring an independent judgment to bear on the issues of strategy, performance and resources for the success of the Company;
- 3.3 To review the key performance indicators (“KPIs”), performance and recommend the annual compensation and rewards for all Executive Directors and/or Senior Management staff;
- 3.4 To review and propose, if necessary, KPIs of Executive Directors and/or Senior Management for the Board’s approval; and
- 3.5 In discharging the above responsibilities, the RC needs to ensure the following:-
- i. The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole;
 - ii. All directors should abstain from discussion of their own remuneration; and
 - iii. Directors who are shareholders and controlling shareholders with a nominee or connected director on the board should abstain from voting on the resolution to approve director’s fees at the General Meeting.

4. AUTHORITY OF THE REMUNERATION COMMITTEE

- 4.1 Upon the Board’s authorization, the RC 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;

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- 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 RC;
 - 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 recommendation to the Board for its consideration and approval.

5. MEETINGS

5.1. Frequency

- 5.1.1. The RC shall meet at least once a year and at such additional meetings, as the Chairman shall decide, in order to fulfil its duties.
- 5.1.2. By invitation of the RC, 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 RC 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 RC, including the names of those present and in attendance and circulating them to committee members and to other members of the Board.

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- 5.4.2. Minutes shall be distributed to RC 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 RC 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 RC.
- 5.5.2. A person so participating is deemed to be present in person at the meeting and shall be counted in quorum accordingly.

5.6 Voting

- 5.6.1 All resolutions of the RC shall be adopted by a simple majority vote, each member having one vote.
- 5.6.2 An RC 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 "**Remuneration 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 RC 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 RC Committee and any other person required to attend.
- 5.8.3. The RC meeting agendas shall be the responsibility of the Chairman of RC 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 RC 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 RC Committee member, as the case may be.

6. REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference shall be reviewed periodically by the RC 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>Adopted by Board: 17 April 2012 Updated and adopted by Board on: 31 October 2012 Updated and adopted by Board on: 5 July 2021</p>
