

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7579
COMPANY NAME : AWC Berhad (“AWC” or “the Company”)
FINANCIAL YEAR : June 30, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") holds collective responsibility for providing leadership, oversight, and ensuring the long-term success of AWC and its subsidiaries ("the Group"), while delivering sustainable value to stakeholders. The Board guides the Group's performance and is committed to maintaining high standards of good governance. Each Board member is expected to demonstrate strong stewardship, act professionally, and uphold the Group's core values, always mindful of their fiduciary duties and responsibilities.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Group Chief Executive Officer/President. For the effective function of the Board, the Board established the following Board Committees to assist in the execution of its responsibilities:</p> <ul style="list-style-type: none">a. Audit and Risk Management Committee ("ARMC");b. Nomination and Remuneration Committee ("NRC"); andc. Employees' Share Option Scheme Committee. <p>The Board has reserved a formal schedule of matters for its decision making to ensure that it retains full and effective control of the Group's strategic plans and direction. It has also exercised oversight on Management and set the appropriate tone at the top while providing thought leadership and championing good governance and ethical practices throughout the Group.</p> <p>To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, the Board discusses, reviews and adopts various business plans and strategies through active discussions with the Group Chief Executive Officer/President. It ensures that the strategic plans of the Group support long-term value creation and</p>

	<p>includes strategies on economic, environmental and social considerations underpinning sustainability. The Board has consistently enquired about the operations of the Group and assessed the Management performance to determine whether the Group’s business is being properly managed.</p> <p>The Board reviews and examines the new ventures and investments of the Group to ensure all critical issues are considered before any decision is made. The Board will also be briefed by the Senior Management on the implementation of the business plans of the Group during the Board meeting subject to the materiality of the matter.</p> <p>The Group has in place a sound framework for internal controls and risk management. The Board vide the ARMC, reviews the Internal Audit Report quarterly and discusses the relevant improvements required to address the internal audit issues and ensures the implementation of appropriate systems to manage the principal risks of 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

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>Dato' Nik Mod Amin bin Nik Abd Majid, as the Non-Independent Non-Executive Chairman of the Board, is responsible for leading the Board to ensure its effectiveness and integrity, as well as fostering good corporate governance practices within the Group.</p> <p>The Chairman of the Board has, amongst others:-</p> <ul style="list-style-type: none"> • Provided leadership to the Board. • Overseen the effective discharge of the Board's supervisory roles. • Facilitated the effective contribution of all Directors. • Conducted and chaired Board Meetings and General Meetings of the Company. • Managed Board communications and Board effectiveness and effective supervision over Management. • Ensured that quality information to facilitate decision-making is delivered to the Board in a timely manner. • Ensured Board Meetings and General Meetings comply with good conduct and best practices. • Promoted constructive and respectful relations between Board members and between the Board and the Management. 	
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>The roles of the Chairman and CEO are held by separate individuals, with clear and distinct responsibilities. Dato' Nik Mod Amin bin Nik Abd Majid serves as the Non-Independent Non-Executive Chairman, while Dato' Ahmad Kabeer bin Mohamed Nagoor holds the position of Group Chief Executive Officer/President of the Company.</p> <p>There is a well-defined division of responsibilities between the Chairman and the Group Chief Executive Officer/President, which ensures a balanced distribution of power and authority. This separation promotes accountability, and their respective roles are outlined in the Company's Board Charter.</p> <p>The Chairman's duties include promoting good corporate governance, providing leadership, and ensuring the effectiveness of the Board. Meanwhile, the Group Chief Executive Officer/President is responsible for managing the day-to-day operations of the Group and executing the Board's strategies and decisions.</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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Chairman of the Board, Dato' Nik Mod Amin Bin Nik Abd Majid is not a member of the ARMC and NRC.
	Dato' Nik Mod Amin Bin Nik Abd Majid was invited to the ARMC and NRC meetings to provide input for matters discussed during the meetings. However, he did not participate in the decision making of the resolutions, proposals and matters tabled for approval during the meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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 Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd. ("CMS").</p> <p>The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Companies Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.</p> <p>The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and services of the Company Secretaries and their team when performing their duties and discharging their responsibilities.</p> <p>During the financial year ended 30 June 2024 ("FYE 2024"), the Company Secretaries briefed the Board on the key amendments to the MMLR of Bursa Securities relating to the Sustainability Training for Directors, Conflict of Interest and other amendments to keep the Board</p>

	<p>abreast of the latest developments on the governance matters and provisions under the Listing Requirements of Bursa Securities.</p> <p>During the financial year under review, the Board and Board Committees' meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and their team to the Board in the discharge of functions.</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

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>To assist with the Directors' time management, the Company Secretaries prepare an annual meetings calendar in advance for each new calendar year. This calendar outlines the scheduled dates for Board and Board Committee meetings, as well as the Annual General Meeting (AGM). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members at least five (5) business days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Board Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</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

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 has formalised and adopted a Board Charter to outline the role, structure and processes related to key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and Management with regard to the roles of the Board and its Committees, the role of the Executive Director, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board Charter is reviewed and updated as needed to ensure it aligns with the Board's objectives and responsibilities and reflects the latest compliance requirements due to regulatory changes.</p> <p>The Board Charter is available on the Company's website, www.awc.com.my.</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 Board has implemented a Code of Ethics and Conduct, which is included in the Company's Board Charter and is accessible on the Company's website at www.awc.com.my.</p> <p>The Board incorporated the anti-bribery and anti-corruption requirements to be observed by the Directors and employees of the Group under the Code of Ethics and Conduct.</p> <p>The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that it continues to remain relevant and appropriate.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had adopted a Whistle Blowing Policy which is available at the Company's website at www.awc.com.my to provide a defined avenue and accessible reporting channels for all Directors, employees, shareholders and any third parties associated with the Group to raise concerns or disclose any improper conduct within the Group.</p> <p>The Whistle Blowing Policy aims to achieve the following:</p> <ul style="list-style-type: none">• To provide avenues for employees to raise genuine concerns or allegations through the appropriate channels upon discovery of possible misconduct;• To encourage and develop a culture of openness, accountability and integrity;• To enable Management to be informed at an early stage about acts of misconduct; and• To ensure the protection of an individual who reports the concern or allegation in good faith in accordance with the procedures. <p>The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that they remain relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.</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 4.1

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>The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts the business performance of the Company.</p> <p>The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set out targets is communicated to the Company's internal and external stakeholders.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Group had undertaken the following measures:</p> <ul style="list-style-type: none">a) Environment – focused on maximising the use of its resources to help create an impact towards climate change, environmental sustainability and the reduction of waste that is generated from business operations.b) Economic – regards economic performance to be of crucial importance in achieving sustainable growth. With strong shareholders' backing, the sustainable management of assets and capital is vital to ensure the long-term development of the businesses.c) Social – be a responsible corporate citizen by constantly re-assessing the Group's activities and business model to ensure a positive impact at the workplace and in the community.

	d) Governance – holds the Group to the highest standards in business ethics, principles and Codes of Conduct as part of its sustainability agenda by recognising the importance of good corporate governance in the execution of business strategies and in generating lasting shareholder value.	
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 recognizes the importance of providing internal and external stakeholders with a clear and comprehensive view of the Company’s sustainability strategies, priorities, targets, and overall performance. This information should enable stakeholders to assess the Company’s sustainability risks and opportunities effectively.</p> <p>The Company engages with stakeholders through various methods, both at the business unit and group levels, involving formal and informal activities. The collective feedback and insights gathered from these engagements help the Board make informed decisions while aligning stakeholder expectations with the Company’s sustainability goals and business strategies.</p> <p>Further details on stakeholder engagement can be found in the Sustainability Statement within the Annual Report 2024.</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, through the NRC assessed the training programmes attended by each Director during the financial year to ensure they keep abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by each Director during the FYE 2024 are set out in the Corporate Governance Overview Statement of the Annual Report 2024.</p> <p>The Company Secretaries regularly update the Board on the changes of the Listing Requirements of Bursa Securities and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provide advice on corporate disclosures and compliance issues.</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	:	<p>The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability material matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2024.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</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 4.5- Step Up

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

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

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 5.1

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 overseeing the overall composition of the Board, ensuring an appropriate mix of skills, experience, and core competencies, as well as maintaining a balanced ratio of Executive Directors to Independent Non-Executive Directors.</p> <p>The Board's effectiveness as a whole, along with the contributions of each Director and the Board's committees, is evaluated on an annual basis.</p> <p>The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. During the FYE 2024, none of the Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.</p> <p>The annual re-election of retiring Directors is contingent upon a satisfactory evaluation of their performance and contributions to the Board.</p> <p>Additionally, the Directors' Fit and Proper Policy guides the NRC and the Board in the appointment and re-election of Directors within the Group. This policy is available on the Company's website at www.awc.com.my.</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	:		
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Intended Outcome

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

Practice 5.2

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>The Board consist of five (5) members as follows:-</p> <ul style="list-style-type: none"> • One (1) Non-Independent Non-Executive Chairman; • One (1) Group Chief Executive Officer/President; and • Three (3) Independent Non-Executive Directors. <p>The current Board composition is in line with the Practice 5.2 of the MCCG to have at least half of the Board comprises Independent Non-Executive Directors and complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent Directors.</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 5.3

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	:	There are no Independent Directors serving the Board beyond nine (9) years.	
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 Company is committed to ensuring that the appointment of Board members and senior management is conducted based on objective criteria and merit, while also considering diversity in skills, experience, age, cultural background, and gender. This approach is essential to fostering a well-rounded and effective leadership team.</p> <p>The NRC leads the process for nominating new Board appointments and makes the necessary recommendations to the Board. The specific role of the NRC is outlined in its Terms of Reference, which can be accessed on the Company's website at www.awc.com.my.</p> <p>To promote a transparent and rigorous process for the appointment and re-election of Directors within the Group, the Board has adopted the Directors' Fit and Proper Policy.</p> <p>Additionally, the Board has established the Nomination and Appointment of New Directors Process and Procedures to formalize the process for nominating and appointing new Directors. This ensures that the NRC and the Board effectively discharge their responsibilities regarding the selection of new Directors for the Group.</p> <p>In making its recommendations to the Board, the NRC considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• Time commitment to the Company based on the number of directorships held.
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 5.6

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>The NRC conducts an annual review to evaluate the required mix of skills, experience, and other essential qualities, including core competencies, that Directors should bring to the Board. This process also involves assessing the overall effectiveness of the Board, along with considerations for succession planning, boardroom diversity, and gender diversity, to maintain a well-functioning Board.</p> <p>The recruitment and appointment of Directors are governed by the policies and procedures outlined in the NRC's Terms of Reference.</p> <p>When seeking suitable candidates, the NC utilizes various resources to expand the pool of potential candidates. In addition to recommendations from existing Board members, management, and major shareholders, the NRC also considers candidates from within the industry, assessing their education, skills, and experience.</p> <p>There were no appointments of new Directors to the Board during FYE 2024.</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	:	The performance of the retiring Directors recommended for re-election at the 22nd AGM was evaluated through the NRC's annual assessment and subsequently endorsed by the Board for approval. The profiles of the Directors due for retirement and seeking re-election, including any relevant interests with the Company, were detailed in the Annual Report 2023. For the upcoming 23rd AGM, a statement from the Board and NRC, confirming their satisfaction with the performance and effectiveness of the retiring Directors who have offered themselves for re-election, has been included in the notes accompanying the Notice of the 23rd 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	:		

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	:	The NRC is chaired by Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj who is an Independent Non-Executive Director of the Company. The details/profile of the NRC Chairperson is disclosed in the Annual Report 2024.	
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board consists of five (5) Directors, including one (1) female Director, reflecting a 20% female representation at the Board level.</p> <p>The Board recognises that this diversity acts as a source for fresh perspectives which ultimately benefits the overall deliberations taking place in the boardroom. Although the Company has not reached the 30% women representation target at the Board level, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.</p> <p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>When vacancies arise, women's representation on the Board and within senior management will be a key consideration. However, the primary focus will remain on selecting the most suitable candidates to help the Company meet its strategic objectives.</p> <p>The Board will take into consideration of more female Directors within the Board as a long-term goal to which incremental steps shall be taken to ensure it is adopted within the reasonable timeframe stipulated.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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 Company has established and implemented a Gender Diversity Policy, which serves as a framework to enhance gender diversity at both the Board and senior management levels. This policy is accessible on the Company's website at www.awc.com.my.</p> <p>The Company acknowledges the importance to promote gender diversity at the Board and senior management level and will actively work towards having more female Directors and senior management. However, to avoid any mismatch and ineffective appointment of the female Directors and senior management, the Company does not set any specific target for female Directors and senior management in this Policy.</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

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>The Board has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of Independent Non-Executive Directors to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairperson will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCCG practices. The areas covered in the aforesaid annual assessment criteria are as follows:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment of Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structures and procedures • Relationship of the Board to Management • Quality and supply of information to the Board / Board's Committees • Access to information and advice • Accountability for financial reporting, internal control, sustainability risk and opportunities </td> </tr> </tbody> </table>	Evaluation	Assessment of Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structures and procedures • Relationship of the Board to Management • Quality and supply of information to the Board / Board's Committees • Access to information and advice • Accountability for financial reporting, internal control, sustainability risk and opportunities
Evaluation	Assessment of Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structures and procedures • Relationship of the Board to Management • Quality and supply of information to the Board / Board's Committees • Access to information and advice • Accountability for financial reporting, internal control, sustainability risk and opportunities 				

	<ul style="list-style-type: none"> • Relationship with Auditors / Shareholders / Investors • Use of Board Committees • Directors' training
ARMC	<ul style="list-style-type: none"> • Composition and Quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risks • Access to information and advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Reports and recommendations
Executive Director	<ul style="list-style-type: none"> • Financial • Strategic and Sustainability • Conformance and Compliance • Business Acumen / Increasing Shareholders' Wealth • Succession Planning • Personal input to the role
Non-Executive Directors	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings • Regular contribution to Board / Board Committee meetings • Personal input to the role
Non-Executive Chairman	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Key responsibilities of the Chairman • Regular contribution to Board / Board Committee meetings • Personal input to the role
<p>In respect of the annual performance evaluation for the FYE 2024, it was concluded that:-</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when</p>	

	necessary to ensure it remains a valuable feedback mechanism for improving the Board effectiveness.	
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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had established a formal and transparent Nomination and Remuneration Policy which sets out the principles and guidelines for the Board and NRC to determine the remuneration of Directors and/or Senior Management of the Company. The Remuneration Policy is available on the Company's website at www.awc.com.my.</p> <p>The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.</p> <p>Non-Executive Directors will be paid a basic fee as ordinary remuneration based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover. Apart from Directors' fees, all Independent Non-Executive Directors are entitled to meeting allowances for attending Board and Board Committee meetings.</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 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 Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.</p> <p>The NRC is composed entirely of Independent Non-Executive Directors, promoting impartiality in the remuneration process. To avoid conflicts of interest, each Director abstains from discussions and voting on matters related to their own compensation.</p> <p>The Terms of Reference of the NRC is accessible on the Company's website at www.awc.com.my.</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

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 detailed disclosure of individual Directors' remuneration on a named basis for the FYE 2024 is provided below and is also available in the Corporate Governance Overview Statement of the Annual Report 2024.

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	Dato' Ahmad Kabeer bin Mohamed Nagoor	Executive Director	-	-	-	-	-	-	-	-	-	2,160	1,080	92.661	518.4	3,851.061
2	Dato' Nik Mod Amin bin Nik Abd Majid	Non-Executive Non-Independent Director	120	5	-	-	7.2	-	132.2	120	5	-	-	7.2	-	132.2
3	Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	Independent Director	60	5	-	-	-	-	65	60	5	-	-	-	-	65
4	Sureson A/L Krisnasamy	Independent Director	60	5	-	-	-	-	65	60	5	-	-	-	-	65
5	Dato' Dr. Hj Shamsul Anwar bin Sulaiman	Independent Director	55	4	-	-	-	-	59	55	4	-	-	-	-	59
6	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
7	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
8	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
9	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
10	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
11	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
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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	:	Departure																
Explanation on application of the practice	:																	
Explanation for departure	:	<p>Due to confidentiality and sensitivity of the remuneration package of senior management as well as security concerns, the Company opts not to disclose the senior management's remuneration components on a named basis in the bands of RM50,000.</p> <p>The Board is of the view that the disclosure of the senior management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.</p> <p>As an alternate, the Board is of the view that the disclosure of senior management's aggregate remuneration on an unnamed basis in the bands of RM50,000 is adequate.</p> <p>The remuneration paid to the Senior Management of the Group for the FYE 2024 are as follows:-</p> <table border="1"> <thead> <tr> <th>Range of Remuneration*</th> <th>No. of Senior Management Officer</th> </tr> </thead> <tbody> <tr> <td>RM200,001 to RM250,000</td> <td>1</td> </tr> <tr> <td>RM250,001 to RM300,000</td> <td>1</td> </tr> <tr> <td>RM450,001 to RM500,000</td> <td>1</td> </tr> <tr> <td>RM600,001 to RM650,000</td> <td>1</td> </tr> <tr> <td>RM700,001 to RM750,000</td> <td>1</td> </tr> <tr> <td>RM1,050,001 to RM1,100,000</td> <td>1</td> </tr> <tr> <td>RM3,850,001 to RM3,900,000</td> <td>1</td> </tr> </tbody> </table>	Range of Remuneration*	No. of Senior Management Officer	RM200,001 to RM250,000	1	RM250,001 to RM300,000	1	RM450,001 to RM500,000	1	RM600,001 to RM650,000	1	RM700,001 to RM750,000	1	RM1,050,001 to RM1,100,000	1	RM3,850,001 to RM3,900,000	1
Range of Remuneration*	No. of Senior Management Officer																	
RM200,001 to RM250,000	1																	
RM250,001 to RM300,000	1																	
RM450,001 to RM500,000	1																	
RM600,001 to RM650,000	1																	
RM700,001 to RM750,000	1																	
RM1,050,001 to RM1,100,000	1																	
RM3,850,001 to RM3,900,000	1																	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.																

Timeframe	:	Choose an item.	
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

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 Chairman of the Board is Dato' Nik Mod Amin bin Nik Abd Majid while the ARMC Chairman is Mr. Sureson A/L Krisnasamy. This separation of roles is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.</p> <p>Mr. Sureson A/L Krisnasamy is responsible to ensure the overall effectiveness and independence of the ARMC. Along with other ARMC members, Mr. Sureson has ensured amongst others that:-</p> <ul style="list-style-type: none">a. the ARMC is fully informed of significant matters related to the Group's audit and its financial statements and these matters are addressed;b. the ARMC communicates its insights, opinions and concerns about relevant transactions and events to Internal and External Auditors;c. the ARMC's concerns on matters that may impact the Group's financial or audit are clearly communicated to the External Auditors; andd. there is co-ordination between Internal and External Auditors.
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 Group recognises the importance of the independence of its External Auditors and that no possible conflict of interest whatsoever should arise.</p> <p>The Terms of Reference (“TOR”) of the ARMC was updated to require a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p> <p>No former key audit partners of the present auditors have been appointed to the ARMC.</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 Board had established the External Auditors Assessment Policy ("EA Assessment Policy") together with an annual assessment form. The EA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider, among others, the following criteria:-</p> <ul style="list-style-type: none">(a) Calibre of the audit firm;(b) Quality of the audit engagement team;(c) Quality of communication and interaction with the audit team;(d) Audit scope and quality processes;(e) Audit governance and independence; and(f) Audit fee. <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Board, upon the recommendation of the ARMC, had recommended the re-appointment of the External Auditors to the shareholders for approval at the forthcoming 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

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	:	The ARMC consists of three (3) members, all of whom are Independent Non-Executive Directors.

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 ARMC Chairman, Mr. Sureson A/L Krisnasamy, is a member of the Malaysian Institute of Accountants.</p> <p>All members of the ARMC are financially literate and possess the essential skills and knowledge required to fulfill their duties in line with the Terms of Reference of the ARMC. They are equipped to understand the Group's business and the matters under the ARMC's purview, including the financial reporting process. With their expertise, they effectively review the Group's financial reporting and transactions, identifying any financial anomalies or irregularities in the financial statements while also challenging Management's assertions regarding the Group's financials.</p> <p>Moreover, all ARMC members have engaged in continuous professional development to stay updated on relevant developments in accounting and auditing standards, practices, and regulations. The details of the training attended by the ARMC members for the FYE 2024 are provided in the Annual Report 2024.</p> <p>During ARMC meetings, the members receive briefings from the External Auditors, Baker Tilly Monteiro Heng PLT, on any developments or changes in the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, and relevant accounting requirements under the Companies Act 2016</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

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 acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.</p> <p>The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2024.</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 ARMC oversees the risk management of the Group. The ARMC reviews the effectiveness of the risk management function and deliberates on the risk management and internal control frameworks, functions, processes and reports on a regular basis.</p> <p>For the financial year under review, the ARMC is assisted by the management as well as the outsourced Internal Auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatment was in place to mitigate the risks that affecting the achievement of the Group's business objectives. The Internal Auditors report directly to the ARMC and the internal audit plans are tabled to the ARMC every quarter for review to ensure adequate coverage.</p> <p>The risk management and internal control are ongoing processes, which are undertaken in each department. The existing system of risk management and internal control will be continuously enhanced by taking into consideration the changing business environment and be further strengthened with compensating controls and appropriate check and balance mechanisms.</p> <p>Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of the framework, are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2024.</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	:		
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Intended Outcome

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

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

Practice 10.3 - 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 :	Not Adopted
Explanation on adoption of the practice :	

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>The internal audit function is outsourced to an independent professional service firm that assists the ARMC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the ARMC.</p> <p>The ARMC has the responsibility to review and assess the adequacy of the scope, functions, competency and resources of the internal audit functions. In developing the scope of the internal audit function, the ARMC is satisfied that –</p> <ul style="list-style-type: none">(a) the person responsible for the internal audit has relevant experience, sufficient standing and authority to enable him to discharge his functions effectively;(b) the firm appointed to carry out the Group's internal audit function has sufficient resources and is able to access information to enable it to carry out its role effectively; and(c) the personnel assigned to undertake internal audits have the necessary competency, experience and resources to carry out the function effectively. <p>To ensure that the responsibilities of Internal Auditors are fully discharged, the ARMC evaluates the performance of the Internal Auditors for the FYE 2024 based on the following evaluation criteria as set out in the Internal Auditors' Annual Assessment Form:-</p> <ul style="list-style-type: none">a. Adequacy of resources and experience of the internal audit firm;b. Quality processes of the internal audit firm;c. Competency of the engagement team;d. Governance and independence;e. Internal audit fee, scope and planning; andf. Internal audit reports and communications. <p>The ARMC concluded its assessment that the Internal Auditors have sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Group.</p>

	<p>The Internal Auditors have and will continue to keep abreast with developments in the profession, relevant industry and regulations.</p> <p>The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group’s system of internal control is satisfactory and operating effectively.</p> <p>Areas for improvement are highlighted to the ARMC and the implementation of recommendations has consistently been monitored. The Internal Auditors have provided assurance to the ARMC that none of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report 2024.</p> <p>Further details of the internal audit function and activities are set out in the Statement on Risk Management and Internal Control and the Audit Committee Report in the Annual Report 2024.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 internal audit function is outsourced to an independent professional firm, i.e. Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling” or “Internal Auditors”). The Internal Auditors report functionally to the ARMC of the Company. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit recommendations and planned suggestive corrective actions. The activities of the Internal Auditors are guided by the Annual Internal Audit Plan that is presented to and approved by the ARMC.</p> <p>The audit personnel from Sterling are free from any relationships or conflicts of interest, which could impair its objectivity and independence. Sterling is a corporate member of the Institute of Internal Auditors Malaysia (IIAM).</p> <p>The number of staff deployed for each internal audit review ranges from 2 to 3 per visit. Different lead Internal Auditors is assigned to conduct each internal audit review, depending on the scope of the review.</p> <p>Dr. So Hsien Ying of Sterling is the Principal Consultant responsible for the internal audit of the Group. She has more than 30 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of IIAM and a member of the Malaysian Alliance of Corporate Directors and Associate.</p> <p>The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.</p>

	<p>The internal audit function is carried out in accordance to the International Professional Practices Framework set by the Institute of Internal Auditors to ensure that internal audit staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The ARMC was satisfied with the competency, experience and resources of the internal audit function for discharging their roles and responsibilities.</p> <p>The internal audit functions and activities carried out during the FYE 2024 are as disclosed in the ARMC Report of the Annual Report 2024.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the significance of transparency and accountability to the Company's stakeholders. It understands that ongoing communication between the Company and its stakeholders fosters mutual understanding of objectives and expectations. Consequently, the Board is committed to the timely and prompt dissemination of information to shareholders and investors, enabling them to make well-informed investment decisions.</p> <p>The Company has adopted the Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to our shareholders and the investing public.</p> <p>In ensuring effective, transparent and regular communication with its stakeholders, the following communication channels are primarily used by the Company to disseminate information to our shareholders and the investing public on a timely basis:</p> <ul style="list-style-type: none">• The Company's website at www.awc.com.my provides corporate information about the Company and is accessible to the public. The Investor Relations function enhances the communication with its stakeholders and provides a channel for the stakeholders and general public to direct their enquiries and concerns to the Company;• Press releases, general announcements, customer and investor events which provide up-to-date information about the Group and its businesses;• Quarterly announcements and material disclosures to Bursa Securities, which are available on Bursa Securities' website at www.bursamalaysia.com and on the Company's website at www.awc.com.my;• General meeting which serves as another key avenue of communication with its shareholders of the Company where they

	<p>may raise questions and concerns or seek clarifications on the Company's business and reports from the Company Directors; and</p> <ul style="list-style-type: none"> • Annual reports and circulars to shareholders to maintain an active dialogue with shareholders with the intention of giving shareholders as much as possible, a clear and complete picture of the Company's performance and position, corporate development, sustainability progress and the value created by the Group. 	
<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	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 notice of the 22nd AGM of the Company was given to the shareholders at least twenty-eight (28) days before the AGM which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. The notice for convening the forthcoming 23rd AGM of the Company will be sent to the shareholders at least 28 days before the date of the AGM this year as well.</p> <p>The notice of the general meeting provides a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.</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 attended the fully virtual 22nd AGM to provide a response to questions posed by the shareholders. The Key Senior Management of the Company and External Auditors also attended the fully virtual AGM and prepared to answer shareholders' enquiries, where relevant.</p> <p>During the proceedings of the 22nd AGM, the Chairman ensures that shareholders are given the opportunity to comment or raise issues and questions whether pertaining to issues on the agenda, the annual report, Group's strategy or developments in the Group. All questions raised by the shareholders were answered and addressed accordingly.</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 13.3

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 22nd AGM was held on a fully virtual basis and entirely via Remote Participation and Voting Facilities ("RPV") facilities on 28 November 2023.</p> <p>To facilitate the remote shareholders' participation at general meetings, the Company will also hold its 23rd AGM this year on a fully virtual basis and entirely via remote participation and electronic voting. The conduct of meetings by way of fully virtual is strongly encouraged by the Securities Commission Malaysia.</p> <p><u>Remote shareholders' participation in General Meetings</u> Shareholders can attend, speak (including posing questions to the Company/Board of Directors) and vote remotely at the 22nd AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's Share Registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform from the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</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 13.4

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>The Chairman ensures that the general meetings cater to an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were encouraged to submit their questions before the 22nd AGM at https://tiih.online or post the questions using the query box facility during the 22nd AGM. In addition, upon commencement of the 22nd AGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries in the query box of RPV throughout the 22nd AGM.</p> <p>The Company facilitates and encourages shareholder participation at its 22nd AGM. These meetings provide an update for shareholders on its performance and offer an opportunity for shareholders to ask questions and vote. The Board Chairman and/or the Executive Director read out and answered the relevant questions received.</p> <p>All the Directors, Senior Management and External Auditors also attended the 22nd AGM to respond to questions posted by shareholders.</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	:		
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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 Board has engaged the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (“TIIH”) for Registration and Electronic Poling Services. TIIH has a vast amount of experience in conducting a fully virtual meeting. Moreover, efficiency is guaranteed as TIIH holds up to date records of the Company shareholders.</p> <p>The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Notes of the 22nd AGM sent through email and by ordinary post and the same were also published on the Company’s website.</p> <p>TIIH has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view a live webcast of the meeting.</p> <p>As mentioned above, real time submission of typed texts is also available to encourage interactive participation from the shareholders. The number of questions answered during the meeting evidenced a successful virtual 22nd AGM with active participation by the shareholders.</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	:		
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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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The minutes of the 22 nd AGM were not circulated to the shareholders, however, the Summary of Key Matters Discussed at the 22 nd AGM was published on the Company's website at www.awc.com.my .
	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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

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

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