



AURELIUS TECHNOLOGIES BERHAD
(Company Registration No. 202101005015 (1405314-D))
(Incorporated in Malaysia)

Remuneration Policy and Procedures for Directors and Key Senior Management

1.1 Purpose

- 1.1.1 This Remuneration Policy and Procedures is the guiding document (“**Document**”) for the Board of Directors (“**Board**”) and the Remuneration Committee of Aurelius Technologies Berhad (“**ATech**”) and its subsidiaries (collectively referred to as the “**Group**”) to determine the remuneration of Directors and Key Senior Management.
- 1.1.2 The Policy is designed with the key objective of attracting and retaining experienced, qualified, and high-quality members of the Board and Key Senior Management to drive the business strategy, objectives, values, and long-term interest of the Company.
- 1.1.3 This Document seeks to set out an overarching framework for the development and administration of a fair and transparent framework for the remuneration of Directors and Key Senior Management of ATech.
- 1.1.4 The Board has established a Remuneration Committee (“**RC**”) to review the Company’s remuneration practices to attract, motivate, and retain high-quality Directors and Key Senior Management to deliver value for shareholders of the Company.

2.0 Applicability of the Policy

- 2.1.1 The Policy applies to the Board of Directors and Key Senior Management of the Company.
- 2.2.2 This Document will be reviewed periodically by the Remuneration Committee and be made available on the Group’s website (Practice 7.1 of Malaysian Code of Corporate Governance (“**MCCG**”).

3.0 Remuneration Principles

ATech is guided by the following principles in remunerating its Directors and Key Senior Management:

- 3.1.1 Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover (Paragraph 7.23 of Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”));
- 3.1.2 Salaries payable to Executive Directors shall not include a commission on or percentage of turnover (Paragraph 7.23 of MMLR);
- 3.1.3 The maximum “pay for performance” is adopted in remunerating Executive Directors and Key Senior Management to promote the long-term success of ATech. Performance is measured based on a holistic balanced scorecard approach comprising both financial and non-financial key performance indicators (“**KPIs**”);
- 3.1.4 Independent Directors generally shall not be remunerated with shares or stock options. If exceptionally granted, the quantum granted shall not amount to an extent that it would result in the Independent Director becoming a major shareholder (Paragraph 1.01 of MMLR);

- 3.1.5 Share options, if granted to Directors and Key Senior Management, shall not vest immediately. The vesting period of share options shall reflect the time horizon of risks and take account of the potential for risks to crystallize over a longer period of time;
- 3.1.6 Bonuses to Executive Directors and Key Senior Management shall not be guaranteed, except in the context of sign-on bonuses;
- 3.1.7 Periodic benchmarking of remuneration will be undertaken to ascertain the competitiveness of ATech remuneration packages vis-à-vis other companies. However, such comparisons will be utilized with caution, given the risk of an upward ratchet of remuneration levels with no corresponding improvement in corporate and individual performance, and to avoid paying more than is necessary.

4.0 Remuneration Structure

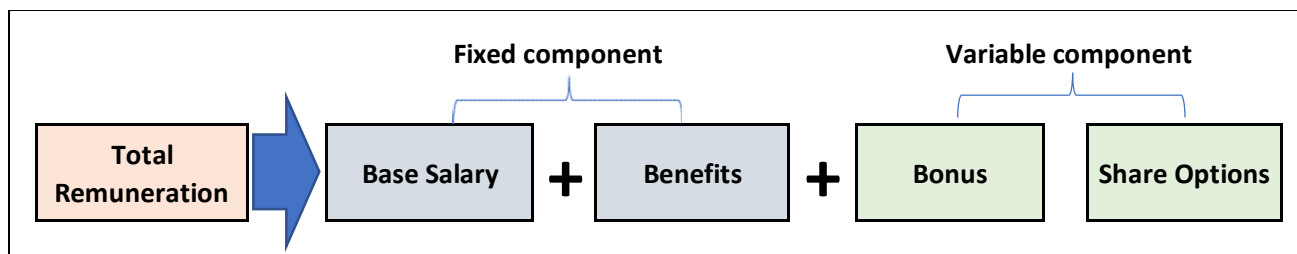
- 4.1.1 The table below summarizes the main components that shall form the remuneration packages of the Directors and Key Senior Management of ATech:

Category-Fixed/Variable	Component	Component description
Fixed	Fees	A fixed fee shall be provided to all Directors for their ongoing contribution to the Board.
Fixed	Meeting Attendance Fees	Payment shall be made to Non-Executive Directors on a per-meeting basis with a condition that attendance (physical or virtual) is a prerequisite for remittance.
Fixed	Base Salary	A monthly payment shall be provided to Executive Directors and Key Senior Management personnel for performing their day job.
Fixed	Benefits	Benefits may be provided to increase the economic security of Non-Executive Directors, Executive Directors, and Key Senior Management personnel and as an incentive to attract and retain talent. Executive Directors and Key Senior Management personnel may also be provided with benefits such as medical benefits and insurance coverage.
Variable	Bonus	A performance-based sum (paid via cash, shares, or stock options) may be awarded to Executive Directors and Key Senior Management personnel for attaining or exceeding their assigned KPIs.
Variable	Stock Options	Executive Directors and Key Senior Management may receive share options that are vesting, or non-vesting based on market conditions to align their actions with the long-term objectives of the Group.

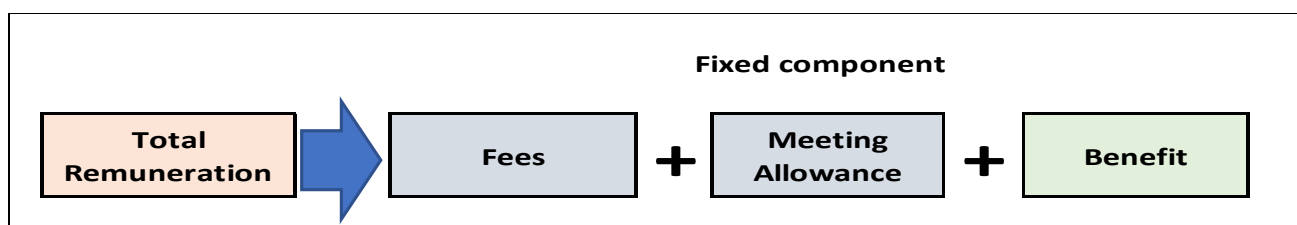
- 4.1.2 In addition, expenses (e.g. entertainment and travel expenses) incurred by Directors and Key Senior Management in discharging their duties relating to the ordinary course of ATech's business activities shall be reimbursed accordingly. All reimbursements

must be accompanied by the claimable receipts and shall be submitted to the Finance Department (applicable to Executive Directors and Key Senior Management) for processing on a timely basis.

4.1.3 The table below summarizes the composition of the remuneration package of the Executive Directors and Key Senior Management:



4.1.4 The table below summarizes the composition of the remuneration package of the Non-Executive Directors: -



5.0 Remuneration Policy & Procedures

5.1 Policy and procedures for Non-Executive Directors' remuneration (including Independent Non-Executive Directors)

5.1.1 ATech's remuneration policy for Non-Executive Directors is to develop a remuneration structure that will be commensurate with the Non-Executive Directors' responsibilities at both the Board and Board Committee level and is sufficient to attract, incentivize and retain high-quality Non-Executive Directors.

5.1.2 Non-Executive Directors' remuneration packages shall be determined on the basis of their qualifications, experience, and competence, having regard to their responsibilities, time commitment, and annual evaluation as undertaken by the Nomination Committee.

5.1.3 As illustrated in the preceding section, Non-Executive Directors shall be paid via fixed fees and meeting attendance fees, and other benefits (as the case may be). Non-Executive Directors shall not be entitled to any gratuity, ex gratia, or agreed-upon severance payments.

5.1.4 Non-Executive Directors shall seek shareholders' approval to participate in any form of Employee Share Option Scheme.

5.1.5 As for meeting attendance fees, no distinction shall be made between participation in person and participation by video, teleconference, or another electronic mode that permits Non-Executive Directors to participate. Virtual participation during meetings

will constitute attendance and as such, meeting allowance will be accorded accordingly.

- 5.1.6 In-camera meetings amongst Independent Directors to discuss special interest matters represent private and informal sessions. Given the ad-hoc nature of in-camera sessions, there shall not be any additional entitlement to a separate fee. However, the Independent Directors are entitled to receive a meeting attendance fee for attending in-camera meetings at a standard rate of a Board meeting attendance fee.
- 5.1.7 In remunerating Non-Executive Directors, the Board is guided by the aspects of contribution and individual performance, quality, skill sets, and experience that the Non-Executive Directors bring to bear. Please refer to Appendix A for detailed information on the factors that are amongst others considered by the Board in setting the remuneration of Non-Executive Directors.
- 5.1.8 In the event any individual is appointed as an Alternate Director for a Non-Executive Director, any remuneration paid by the Company to the Alternate Director shall be deducted from that Non-Executive Director's remuneration [paragraph 7.31(d) of Listing Requirements].

5.2 Policy and procedures for Executive Directors and Key Senior Management remuneration

- 5.2.1 ATech's policy for Executive Directors and Key Senior Management's remuneration is to ensure that the level of remuneration is generally set to provide market competitiveness to attract, reward, retain and motivate Executives of the highest quality to competently manage the Group.
- 5.2.2 The component parts of the remuneration shall therefore be structured to link the remuneration package with corporate and individual performance and consider similar packages at comparable companies (of similar size and complexity to the Group locally; and in the same industry in the region).
- 5.2.3 The performance of Executive Directors and Key Senior Management is measured based on the achievements of their annual KPIs (both qualitative and quantitative KPIs). The weightage of the qualitative and quantitative targets may be adjusted to accommodate ATech's aspirations.

Nature	Examples
Quantitative	Profit Before Tax (PBT), Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) or Return on Invested Capital (ROIC), and relative performance of ATech.
Qualitative	Strategic milestones and initiatives that need to be achieved and implemented in areas such as strategy, innovation, business development, synergy, human capital management, financial management, and sustainability including climate change and societal development.

- 5.2.4 The evaluation of the achievement of each of the KPIs by Key Senior Management against an agreed performance standard is reviewed by the Group Chief Executive Officer; whilst for Executive Directors (including Group Chief Executive Officer

(“**CEO**”) and Chief Financial Officer (“**CFO**”), the Nomination Committee and Remuneration Committee review it. The rewards accorded to Executive Directors and Key Senior Management for their achievement of the respective KPIs shall comprise annual bonuses and increments to their base salaries as well as approved stock options (if any) based on the terms of the scheme.

- 5.2.5 In remunerating the Executive Directors, the Board is guided by the Company’s overall performance, ability to manage stakeholders’ expectations as well as targets set by the Board. Please refer to Appendix B for detailed information on factors that are amongst others considered by the Board in setting the remuneration of Executive Directors (including the Group CEO and CFO).
- 5.2.6 The Directors and Key Senior Management shall not participate in determining their own remuneration. The individual parties concerned shall abstain from discussion and voting on his or her own remuneration.

6.0 Remuneration Governance

6.1 Responsibility of the Remuneration Committee

- 6.1.1 The Remuneration Committee shall assist the Board in implementing its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and Key Senior Management (Practice 7.2 of MCCG).
- 6.1.2 The Remuneration Committee shall develop a fair and transparent procedure for setting policy on the remuneration of Directors and Key Senior Management so as to ensure that remuneration packages are determined on the basis of the Directors and Key Senior Management’s merit, qualification, and competence, having regard to the Group’s operating results, individual performance and comparable market trend (Guidance to Practice 7.2 of MCCG).
- 6.1.3 In considering the remuneration policy and procedures, the Remuneration Committee may also enlist the expertise of external advisors where necessary.
- 6.1.4 Executive Directors do not form part of the composition of the Remuneration Committee (Guidance to Practice 7.2 of MCCG). As such, Executive Directors play no part in the deliberation or decision-making of their own remuneration matters but may attend the Remuneration Committee meetings at the invitation of the Chairman of the Remuneration Committee, if their presence is required.
- 6.1.5 The remuneration of Executive Directors and Key Senior Management is approved by the Board, as a whole, with the individual Executive Director abstaining from discussion of his/her own remuneration.
- 6.1.6 The Remuneration Committee shall also ensure that the remuneration and incentives for Independent Non-Executive Directors do not conflict with their obligations to bring objectivity and independent judgment on matters discussed at Board and Board Committee meetings (Guidance to Practice 7.1 of MCCG).

6.2 Disclosure of remuneration

6.2.1 Non-Executive Directors' remuneration shall be disclosed on a named and individual basis and by the exact amount on a Company and Group level. The remuneration breakdown shall amongst others include fees, meeting allowance, and benefits, as the case may be (paragraph 11, Appendix 9C of Listing Requirements and Practice 8.1 of MCGG). The disclosure shall also cover Non-Executive Directors who were appointed or retired during the year.

6.3 Directors and Officers Liability Insurance

6.3.1 The Directors and Key Senior Management are accorded with Directors and Officers Liability Insurance in respect of any liability (civil or criminal) arising in the course of discharging their duties as Directors and Key Senior Management of ATech provided that such liabilities were occasioned in good faith and not as a result of negligence, default or breach of duty (Section 288 of Companies Act 2016).

6.3.2 The Directors and Officers Liability Insurance premium shall be borne by the Company separately and does not form part of the benefits awarded to Directors as part of their remuneration packages.

7.0 Review of the Policy

7.1 On a periodic basis, the Remuneration Committee shall review and assess the effectiveness and continued relevance of this Policy.

7.2 The Remuneration Committee, with the support of the Company Secretary, shall ensure that the provisions of this Policy and Procedures continue to comply with the legal requirements and corporate governance requirements and, if necessary, shall suggest amendments to this Policy and Procedures for consideration by the Board.

This Policy was reviewed and adopted by the Board of Directors on 28 March 2023.

Appendix A

The following factors are amongst others taken into consideration in determining the remuneration of Non-Executive Directors including Independent Non-Executive Directors:

No	Criteria
1	Skills, experience, and qualifications of the individual directors.
2	Participation in the Board activities, and commitment required to perform the identified roles.
3	Contribute sufficient time to review meeting papers/ materials and engage Senior Management on pertinent matters.
4	Exercises informed judgment and decision-making skills when dealing with key information and complex situations.
5	Keeps abreast with the latest trends and regulations and integrates implications (if any).
6	Manage conflicts and offers practical and realistic advice during Board and/or Board Committee(s) discussions.
7	Probes the performance of Management in meeting agreed goals and objectives, and monitors reporting of performance.
8	Possesses experience in developing, reviewing, and providing guidance on corporate strategies for growth and business sustainability including organization achievement towards ESG goals.
9	Contributes personal/ industry experience and knowledge during Board meetings so as to enhance the depth and breadth of Board discussions.
10	Possesses the ability to approach issues and concerns from a risk management perspective.

Appendix B

The following factors are amongst others taken into consideration in determining the remuneration of Executive Directors:

No	Criteria
1	Financial performance and achievement of Group KPI's.
2	Cost optimization and returns on investments.
3	Skillsets, experience, and qualification.
4	Creation of value to the overall organization.
5	Drive progress in climate change and sustainability initiatives towards ESG goals.
6	Maintaining a focus on reducing or managing risk and thereby potential losses.

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