



AWANBIRU TECHNOLOGY BERHAD

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

REMUNERATION POLICY

Updated as at 9 October 2024

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1. OBJECTIVES

- 1.1 This remuneration policy (the “**Policy**”) sets out to provide remuneration principles and guidelines for members of the Board of Directors (“**Board**”) and Senior Management¹ of AwanBiru Technology Berhad (“**Awantec**” or “**Company**”) and its subsidiaries (“**Group**”).
- 1.2 The Policy helps promote long-term goals in safeguarding the Company’s interests and interest of the shareholders. It is aimed at motivating the Board and Senior Management in pursuing, drive and achieve the Group’s long-terms goals and ensuring business sustainability and growth.
- 1.3 This Policy is formulated based on the following principles:
 - 1.3.1 The Company’s desire to attract, motivate, reward, nurture, and retain talented individuals, while ensuring a high caliber of Directors on the Board to drive the Company’s long-term objectives.
 - 1.3.2 Aligning the interests of the Directors with the long-term interests of the shareholders;
 - 1.3.3 Considering the demands, complexities and performance of the Company as well as skills, knowledge and experiences required;
 - 1.3.4 Aligning remuneration with the business strategy and long-term objectives of the Company; and
 - 1.3.5 Ensuring total remuneration packages remain competitive with the relevant market and industry through appropriate benchmarking exercises.

2. REMUNERATION OF NON-EXECUTIVE DIRECTOR

- 2.1 Remuneration of Non-Executive Directors is determined with regards to the Company’s needs to maintain appropriate experienced and qualified Board members in accordance with competitive pressures of the marketplace.
- 2.2 Non-Executive Directors are paid an annual retainer fee. They do not receive performance incentive payments (short-term or long-term), pension fund benefits, loans on preferential terms, expense allowances or any other form of financial assistance.
- 2.3 The Nomination and Remuneration Committee (“**NRC**”) determines the remuneration of Non-Executive Directors by benchmarking against comparable companies. This process considers the experiences, competencies, efforts, and the

¹ Defined as Chief Executive Officer and Chief Operating Officer.

scope of the Board's work, including the number of meetings attended by Board members. The various components of remuneration for Non-Executive Directors are aligned with their experience and the level of responsibilities they undertake.

- 2.4 The remuneration of members of the Board shall be voted for approval by the shareholders annually during the General Meeting (“AGM”). The remuneration of the Board, its Committee and Senior Management shall be reported in the Annual Report.
- 2.5 Non-Executive Directors receive remuneration package consisting of the following components: -

Fixed	Variable
<ul style="list-style-type: none"> • Board Fee • Committee Fee • Benefits: - <ul style="list-style-type: none"> • Directors and Officers Liability Insurance • Benefits-in-kind 	<ul style="list-style-type: none"> • Meeting Allowance • Other Emoluments

2.5.1. Fixed components

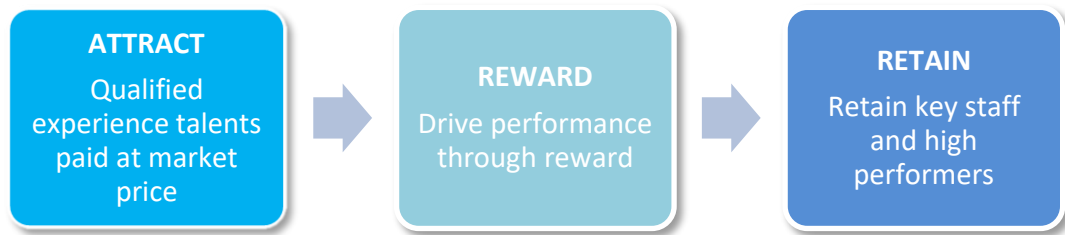
Members of the Board receive a fixed amount of Director fee (basic remuneration) including other benefits. The Chairman of the Board and other Board Committees are remunerated higher than the other members and different remuneration are also paid for the different Board Committees to reflect the complexity and amount of effort required.

2.5.2. Variable components

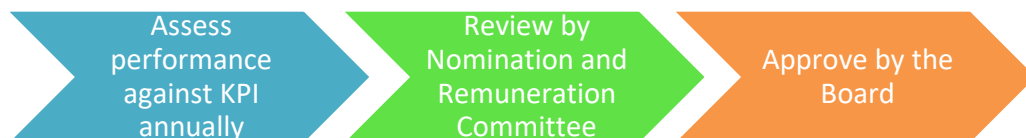
The variable components comprise of the meeting allowance and other emoluments.

3. REMUNERATION OF EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT

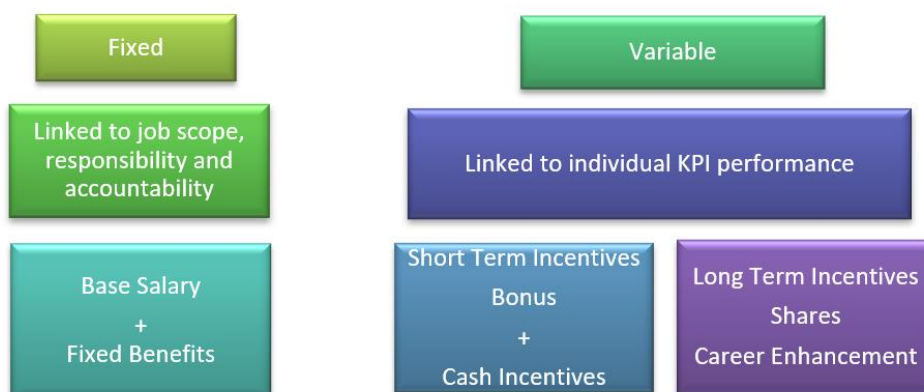
- 3.1 The Board believes that a combination of fixed and performance-based pay for the Executive Director and Senior Management helps ensure that the Company can attract and retain key talents. At the same time, the Executive Director and Senior Management are given an incentive to create shareholders’ value through partly incentive-based pay.
- 3.2 The remuneration for Executive Directors and Senior Management staff are linked to corporate and individual performance.



- 3.3 The Executive Directors do not receive any remuneration for directorships held in Awantec and the Group.
- 3.4 The remuneration of Executive Directors² follows the principles and practices applicable to other salaried employees within the Group. Executive Directors and Senior Management are employed under contracts of service. The terms of the remuneration is outlined by the NRC within the approved framework set by the Board.
- 3.5 The Corporate Human Resource Department (“**CHR**D”) prepares proposals on the remuneration of the Executive Director and Senior Management, ensuring that the remuneration is competitive, attractive and aligned with industries standards. These proposals are then submitted to the NRC for their review and if deemed fit, submitted to the Board for approval.
- 3.6 Below is the summaries of the procedures on the remuneration of Executive Director and Senior Management: -



- 3.7 Members of the Executive Director and Senior Management receive a competitive remuneration package consisting of the following components: -



² The Chief Executive Officer (“CEO”) and other Senior Management who are also Board members of the Awantec.

3.7.1. Base salary

The base salary shall be paid based on the market rate, as stated in contract of service.

Base salary is fixed determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive level.

3.7.2. Bonus, Cash Incentives and KPI Milestone Incentives for Special Project

The bonus and cash incentive constitute variable performance-based of components, contingent upon the Company's profitability and are subject to the overall guidelines for incentive pay, requiring approval from the Board. The bonus is proposed to be disbursed annually/periodically following the adoption of the finalised financial statement for the relevant financial year.

The purpose is for motivating, rewarding and retaining high-performing employees who generate shareholder value and contribute to the success of the Group. Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function performance as well as the Group's results.

The incentive scheme is based on target achievement of several parameters encompassing financial and non-financial criteria, such as revenue, profit before tax, new business contracts, Environment, Social and Governance ("ESG") performance etc., depending on the Key Performance Indicators ("KPI") and milestone achievement (quantitative and qualitative measures) determined by the Board.

3.7.3. Benefits

Members of the Executive Director and Senior Management are remunerated with several work-related benefits, including company car and/or car allowance, telephone & broadband allowance, medical insurance (medical insurance is also extended to family members) and others. The extent of individual benefits is negotiated with each individual member of the Executive Director and Senior Management.

Members of the Executive Director and Senior Management are covered by insurance policies as follows:

- Life insurance
- Accident insurance
- Hospitalisation insurance
- Directors and Officers Liability Insurance

3.7.4. Long term variable component

The Board retains and rewards the identified talents based on quantitative measures through shares and career enhancement within the Group of Companies with the objective to attract, motivate, retain and reward key employee of requisite quality that increases productivity and profitability of the Group in the long run.

3.7.5. Malus and Clawback

If it is proved after the grant of variable components to members of the Executive Director and Senior Management that the bonus and cash incentives were paid erroneously, the Company may in exceptional cases reclaim in full or in part variable components.

Variable pay awards may be made subject to adjustment events. At the discretion of the NRC, such awards may be adjusted before delivery (malus) or reclaimed after delivery (clawback) in the event of an adjustment event. The NRC reserves the right to reduce the quantum of the cash short term and long-term incentive in whole or in part after the occurrence of an actual risk event (“**trigger event**”). The trigger events include, but are not limited to:

- discovery of a material misstatement of the financial results for the performance, resulting in an adjustment in the audited consolidated accounts;
- non-compliance with a financial reporting requirement;
- reasonable evidence of actions or conduct which, in the reasonable opinion of the Board, amounts to employee misbehavior, dishonesty, fraud or (gross) misconduct; and
- subsequent underperformance on an individual level.

These list of trigger events is not exhaustive and the decision to reduce the quantum of future awards/ incentives ultimately resides with the NRC.

In addition, the NRC will exercise discretion to ensure satisfactory underlying performance before authorising any variable pay to Executive Directors or Senior Management. It reserves the right to withhold all or some of the bonus if it considers Awantec’s underlying performance (financial, environmental, safety or otherwise) to be inadequate.

4. REVIEW OF NON-EXECUTIVE DIRECTORS’ REMUNERATION

- 4.1 The NRC may from time to time make recommendations to the Board in relation to any increase in total fees. Any review shall be tabled to the shareholders at general meetings for approval.

5. DISCLOSURE OF THE POLICY

The remuneration for the Senior Management, Executive and Non-Executive Directors shall be disclosed to the shareholders through the Annual Report and Corporate Governance Report, both of which are accessible on the Company's website.

6. REVIEW OF THE POLICY

This Policy shall be reviewed periodically by the NRC in accordance with the needs of the Company, from time to time or when changes to regulatory requirements necessitate a revision, but at least once every three (3) years; any recommendation for its revision will be highlighted to the Board for approval.

The Policy will evolve from time to time, to align with Awantec's business strategy, shareholders' value, best practices and recommendations as set out by the Malaysian Code on Corporate Governance ("**MCCG**").

<p>Updated and adopted by the Board on: 29 July 2021 Updated and adopted by the Board on: 9 October 2024</p>
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