

## **REMUNERATION POLICY AND PROCEDURE FOR DIRECTORS AND SENIOR MANAGEMENT**

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### **1. INTRODUCTION**

This policy sets out the criteria to be used in recommending the remuneration package of Directors and Senior Management of AGX Group Berhad (“**AGB**” or “**the Company**”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.

“Senior Management” refers to management staff who shall report directly to the Group Managing Director and/or the Executive Director(s).

### **2. PURPOSE**

This policy is designed to:

- i) Determine the level of remuneration package for the Directors whereas the remuneration package for the Senior Management will be determined by the Group Managing Director and/or Executive Director(s).
- ii) Attract, develop and retain high performing and motivated Executive Directors and Senior Management with a competitive remuneration package.
- iii) To ensure the level of remuneration of Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the Board.
- iv) The Remuneration Committee (“**RC**”) is empowered to make qualitative and quantitative assessment of a performance in reaching its recommendations. The RC is also empowered to provide appropriate disclosure of their assessment, if required, so that shareholders can understand the basis of its recommendation.

### **3. REMUNERATION COMPONENTS**

#### Fixed Remuneration for Executive Directors and Senior Management

Provide a remuneration such that the Executive Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their positions, reflecting their contributions for the year and which is competitive and consistent with its culture and strategy.

The fixed salary is determined according to:-

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance;
- Current market rate within the industry and in comparable companies; and
- The scale and complexity of both the business and the role.

Executive Directors and Senior Management are entitled to receive those benefits available to the Company. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave. In addition, they may receive other benefits that are considered to be appropriate in terms of the individual's role.

### Bonus

The bonus in the case of Executive Directors and Senior Management is designed to reward outstanding performance. The bonus is granted for the Executive Directors' and Senior Management's performance against annual measures and targets set at the start of the year as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and qualitative criteria are considered.

### Fixed Fee for Non-Executive Directors

The fixed fee is determined according to:-

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities;
- The number of Board and Board Committee meetings; and
- The corporate and individual performance.

Fees payable to Non-Executive Directors shall be a fixed sum, and not a commission on or percentage of profits or turnover.

### Other Benefits and Allowances for Directors

The benefits and allowances for Directors as compensation for their services and expenses incurred in discharging their duties shall be decided by the Board as a whole, which include the following:-

- i) Meeting allowance;
- ii) Expenses incurred in the course of their duties as Directors; and
- iii) Benefits-in-kind such as motor vehicle, petrol, driver, medical benefits, use of mobile phone and accommodation.
- iv) Directors & Officers Liability Insurance

The fees of Directors, and any benefits payable to Directors including any compensation for the loss of employment of a Director or former Director (save for entitlement given due to his office as Executive/Management position) shall be subject to the annual shareholders' approval at a general meeting.

Any change to the policies and benefits should not be revised retrospectively and shall be in line with regulatory requirements.

#### **4. REMUNERATION PROCEDURES**

The RC is tasked with reviewing and recommending the fees and benefits payable to Executive Directors and Non-Executive Directors to the Board for consideration and approval. The RC may seek external advice where necessary, at the Company's expense, to have a holistic and independent review of Directors' remuneration packages.

Senior Management reports to the Group Managing Director and/or Executive Directors who are evaluated annually based on annual measurements and targets set. Thus, the remuneration of Senior Management only requires Group Managing Director and/or Executive Director's approval.

The determination of Directors' fees and benefits payable to Directors is a matter for the Board as a whole. The Directors should not be involved in deciding their own remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall abstain from voting at the general meetings to approve their fees.

The policy of the RC is in line with the Group's overall practice of compensation on benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry.

#### **5. PERIODIC REVIEW AND DISCLOSURE**

The Board (via the RC) will review the policy as it deems necessary so as to ensure it remains relevant and appropriate. Any amendment to the policy shall be deliberated and approved by the Board from time to time, as the Board may consider fit.

The Board should disclose this policy on the Company's website.

This policy was reviewed, approved and adopted by the Board of Directors on 26 April 2024.