

## **Policy and Procedures for the remuneration of the Directors and Senior Management**

The remuneration policy of AT Systematization Berhad (the “Company”) is designed to ensure that the level of remuneration is appropriate and competitive to attract and retain experienced, knowledgeable and high calibre Executive Directors and Senior Management needed to manage the Group successfully and to support and drive business strategy and long-term objectives of the Company and its subsidiaries.

Amongst others, the followings are some of the criteria adopted by the Company and its subsidiaries in considering the remuneration of the Executive Directors and Senior Management: -

- The overall performance of the Company and its subsidiaries tracked against the pre-determined key performance indicators and/or target;
- General economic situation;
- Prevailing market practice;
- Salary position against market;
- Skills and experience; and
- Individual performance.

In this regard, the Remuneration Committee is responsible to implement the policies and procedures whilst the Board is responsible for approving such policies and procedures which govern the remuneration of the employees including Executive Directors and Senior Management.

The remuneration package is reflective of the individual Director’s and Senior Management’s experience and level of responsibilities and it is structured to link to corporate and individual performance. The Remuneration Committee is responsible for determining the level and make up of Executive Directors’ remuneration and approved by the Board, with the presence of a majority of Non-Executive Directors. Long term incentives are implemented through share issuance scheme to employees. The Executive Directors however, do not participate in any way when determining their respective remuneration package.

For Non-Executive Directors, the policy is to ensure that the remuneration commensurate with their respective responsibilities and commitments to the Board and the Group. The fees payable are determined based on the level of expertise, experience, responsibilities undertaken and time commitment required of the Non-Executive Directors. Meeting attendance allowances are paid to eligible Non-Executive Directors in accordance with the number of meetings attended during the financial year. Individual Directors will abstain from participating in the discussion and decision of their own remuneration.

The determination of the annual directors’ fee for Executive Directors and Non-Executive Directors’ remuneration is a matter for the Board as a whole, depending on any additional responsibilities taken. The annual directors’ fees payable to Directors and meeting attendance allowance and benefits-in-kind payable to Non-Executive Directors are presented to the shareholders at the Annual General Meeting for their approval.

This Remuneration Policy shall be reviewed as and when necessary.