

**ARTRONIQ BERHAD**  
**(formerly known as Plastrade Technology Berhad)**

**BOARD REMUNERATION POLICY**



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Company No: 200201023414/591077-X

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**ABBREVIATIONS**

AC	-	Audit Committee
ARTRONIQ / the Company	-	Artroniq Berhad
ARTRONIQ Group	-	ARTRONIQ and its subsidiary companies
AMLR	-	ACE Market Listing Requirements
BOD or the Board	-	Board of Directors
Bursa Securities	-	Bursa Malaysia Securities Berhad
ED	-	Executive Director
HRD	-	Human Resource Department
HOD	-	Head of Department
ACP / AC Policy	-	Anti-Corruption Policy
ACSOP	-	Anti-Corruption Standard Operating Procedures
PIC	-	Person-In-Charge
MACC	-	Malaysian Anti-Corruption Commission
MCCG	-	Malaysia Code on Corporate Governance
NC	-	Nomination Committee
RC	-	Remuneration Committee

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## **BOARD REMUNERATION POLICY**

The Board of Director (“the Board”) of Artroniq Berhad (“ARTORNIQ” or “the Company”) assumes the overall responsibility to establish and implement effective remuneration policy for members of the Board and Senior Management (“Board Remuneration Policy”) in the pursuit of ARTRONIQ Group’s medium to long term objectives. The responsibility for the implementation of this Board Remuneration Policy is delegated to the Remuneration Committee in accordance with the terms of reference which has been approved by the Board.

This Board Remuneration Policy outlines the guiding principles for remunerating its directors and senior management of ARTRONIQ Group. The Policy will be reviewed by the Remuneration Committee on a periodic basis. Where changes to this Policy are required, the Remuneration Committee will brief the Board on such required changes and submit its recommendations to the Board for their deliberation and approval.

### **A. Objectives**

Objectives of the Board Remuneration Policy are as follows:

- to enable the Company to attract and retain talent and highly skilled and experienced directors and management personnel and Company by providing a competitive and well-balanced remuneration package.
- to ensure the remuneration of the executive directors and senior management personnel are in congruent with the Group’s business strategy, growth, values and medium to long- term interests of the Group and is consistent with the "pay-for-performance" principle.
- to promote strong teamwork culture amongst the Executive Directors and Senior Management.
- to instil transparency and consistency in the review and approval of compensation packages of Board members and Senior Management.

### **B. Principal Components of Compensation for Executive Directors and Senior Management**

Principal elements of the executive directors and senior management’s remuneration program consist of fixed and variable compensation, benefits and other arrangements.

#### ***i. Fixed Salary***

- For each executive director and senior management personnel, the Remuneration Committee will determine the amount of fixed salary as part of the total compensation package.
- Fixed salary for each executive director and senior management personnel is determined based on his/her knowledge, skills, experience and responsibilities undertaken/assigned.

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- Review of executive directors and senior management personnel's salaries shall be undertaken by the Remuneration Committee at least once annually and to report exceptions of such review to the Board for its deliberation and decision. In such review, the Remuneration Committee will take into consideration the performances of the respective executive director and senior management as well as their country of assignment, country specific annual inflation rate, market rate of pay and etc.
- Executive Directors are to abstained from any deliberation and decision relating to his/her own fixed salary.

**ii. Variable Compensation**

Variable Compensation will be used to strengthen executive directors and senior management personnel's commitment to the Group's business strategy, values, growth and the medium and long-term performances.

- The Group's Annual Incentive Plan such as performance bonus is designed to reward executive directors and senior management personnel for their contribution to the achievement of the Group's annual financial performances.
- Variable compensation shall not include commission on or percentage of sales.
- Variable compensation is required to be reviewed by Remuneration Committee prior to its introduction.
- Any variation compensation proposed by the Group Managing Director for executive directors and senior management personnel is to be reviewed by the Remuneration Committee and the results of such review is to reported to the Board for deliberation and decision.
- Executive directors are to abstain from any deliberation and/or decision relating to his/her own variable compensation during the tabling of such motion to the Board for deliberation and approval.

**iii. Benefits and Other Arrangements**

Executive directors receive other benefits-in-kind based on their contractual agreements, local customs and comparable arrangements of similar positions in the industry.

- Executive Directors (including Senior Management, where applicable) are to abstain from any deliberation and decision regarding his/her own benefits-in-kind during the tabling of such motion to the Board for deliberation and approval.

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**BOARD REMUNERATION POLICY**

**C. Principal Components of Compensation for Non-Executive Director**

The Company's Non-Executive Directors shall be remunerated in the following manner:

***i. Annual Director's Fees***

- Annual director's fee for non-executive directors is fixed for all non- executive directors based on his/her knowledge, skills, competency, responsibilities assigned and his/her contributions to the Group, the Board and Board Committees.
- Annual director's fee for non-executive directors is to be reviewed by the Board as a whole annually prior to its proposal to shareholders for approval in general meeting.

***ii. Allowance***

- Allowances are granted to non-executive director for the purposes of defraying cost/expenses incurred by him/her in carrying out the responsibilities assigned. Such allowances shall be subject to review by the Remuneration Committee and approved by the Board as a whole on an annual basis.
- Compensation for non-executive director shall not be paid in linear relationship solely based on the financial performance of the Group and shall not include bonus schemes and equity vesting entitlements to prevent potential conflict with their primary role as independent representative of stakeholders.
- Non-executive director shall abstain from deliberation and decision of his/her own compensation during the tabling of motion to deliberate and approve his/her compensation by the Board.

**- END OF POLICY -**