



**AZTECH GLOBAL LTD.**

(Company Registration No.: 200909384G)  
(Incorporated in the Republic of Singapore on 27 May 2009)

**RESPONSE TO QUERIES FROM SGX ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Board of Directors of Aztech Global Ltd. (the "Company", together with its subsidiaries, the "Group") would like to provide the below responses to the questions raised by SGX on 26 April 2022 in relation to the Company's Annual Report for the financial year ended 31 December 2021 ("Annual Report").

**SGX Queries:**

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

**Query no. 1**

Provision 3.1 of the Code states that:

"The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making."

Provision 3.2 of the Code states that:

"The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO."

We note the Company's disclosure at pages 26 and 27 of the annual report. Please address whether the Company has complied with Provisions 3.1 and 3.2 of the code.

If the Company has not complied with Provisions 3.1 and 3.2 of the Code, please explain its reason(s) for varying from Provisions 3.1 and 3.2 of the Code. Please also explain and explicitly state whether the practices it has adopted are consistent with the intent of Principle 3 of the Code.

**Company's Response:**

The Company notes that Provision 3.1 of the Code requires the roles of the CEO and Chairman to be separate in order to ensure an appropriate balance of power, increase accountability and enhance the independent decision-making capacity of the Board.

Mr Michael Mun presently serves as both the CEO of the Company as well as the Chairman of the Board.

Nonetheless, the Board is of the view that there are sufficient safeguards in place to prevent the concentration of power and authority in any one individual. The Company has explained that Mr Michael Mun's accountability and responsibility for each role has not been compromised as the majority of the Board comprises Independent Directors. This ensures an appropriate balance of power, sufficient accountability and independent decision-making at the Board. Further, as recommended by Provision 3.3 of the Code, a Lead Independent Director has been appointed. This adds to the independent element to the Board, further ensuring an appropriate balance of power within the Board. In addition, the AC, NC and RC entirely comprise Independent Directors. The Board believes that the Independent Directors have demonstrated a high level of commitment in their roles as Directors and have ensured that there is a good balance of power and authority on the Board.

In compliance with Provision 3.2 of the Code, Mr Michael Mun's roles as CEO and Chairman are clearly defined in the Company's Corporate Governance Code, which has been formally approved by the Board, details of which are set out below.

As Chairman, Mr Michael Mun is responsible for leading the Board and ensuring its effectiveness, including:

- (a) creating the conditions for overall effectiveness of the Board, the board committees and individual directors;
- (b) promoting high standards of corporate governance with the full support of the Directors, the internal Company Secretary and Management;
- (c) approving the agenda for Board meetings and ensuring the allocation of sufficient time for thorough discussion of agenda items;
- (d) promoting an open environment for debates and ensuring that Non-Executive Directors are able to speak freely and contribute effectively;
- (e) encouraging cordial and constructive relations between the Executive Directors and Non-Executive Directors;
- (f) exercising control over the quality, quantity and timeliness of information flow between the Board and Management including ensuring that Directors receive accurate, timely and clear information;
- (g) providing close oversight, guidance, advice and leadership to Management; and
- (h) fostering constructive dialogue and relations between shareholders, the Board and Management at AGMs and other shareholder meetings.

As the CEO, Mr Michael Mun:

- (a) runs the overall business and operations of the Group within the authority delegated to him by the Board;
- (b) ensures the implementation of policies and strategies across the Group as set by the Board;
- (c) manages the executive and senior management team and reports to the Board;
- (d) leads the development of senior management within the Group with the aim of assisting the training and development of suitable individuals for future director roles; and
- (e) leads the development and execution of long-term strategies, with the goal of increasing shareholders' value.

Given that there is a strong independent element on the Board that enables the exercise of independent and objective judgment on the corporate affairs of the Group, the Board is of the view that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is based on collective decisions of the Directors without any excessive or unrestricted concentration of power or influence residing in any one individual. In view of the above, the Board believes that despite deviating from Provision 3.1 of the Code, the Company's practices and safeguards are consistent with the intent of Principle 3 of the Code as there is a clear division of responsibilities between the leadership of the Board and Management and no one individual of the Board has unfettered powers of decision-making.

#### **Query No. 2**

Provision 8.1 of the Code states that:

"The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- a) each individual director and the CEO; and
- b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel."

We note the Company's disclosure on remuneration at pages 46 to 49 of the annual report for FY2021. Where the Company's practices deviate from the provisions of the Code, please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent

with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

**Company's Response:**

The Company's disclosure on remuneration, including the Aztech Employee Share Option Scheme ("ESOS") and Aztech Performance Share Plan ("PSP"), can be found on pages 33 to 36 and page 56 of the Annual Report. The disclosure has been made in compliance with Provision 8.1 and the intent of Principle 8 of the Code. However, for greater clarity, we have set out below the Company's consolidated disclosure on remuneration of the Independent Directors, CEO, Executive Directors and Key Management Personnel for FY2021.

**Remuneration of Independent Directors**

As stated on page 34 of the Annual Report, the Independent Directors did not receive any other fees aside from Directors' fees.

The remuneration of the Independent Directors in FY2021 is set out below:

	<b>Director's Fees</b>	<b>Variable Bonus and Profit Sharing</b>	<b>Others-Fixed*</b>	<b>Total</b>
TS Tan	\$51,833.33	-	-	\$51,833.33
Larry Tan	\$43,194.44	-	-	\$43,194.44
Christopher Huang	\$43,194.44	-	-	\$43,194.44

**Remuneration of CEO and Executive Directors**

The remuneration of Michael Mun, the CEO (who is also an Executive Director), in FY2021 is set out below:

	<b>Salary and Director's Fees</b>	<b>Variable Bonus and Profit Sharing</b>	<b>Others-Fixed*</b>	<b>Total</b>
Michael Mun	\$940,000.00	\$1,848,203.00	\$83,365.71	\$2,871,568.71

The remuneration of Jeremy Mun, an Executive Director, in FY2021 is set out below:

<b>Executive Directors</b>	<b>Salary and Director's Fees</b>	<b>Variable Bonus and Profit Sharing</b>	<b>Others-Fixed*</b>	<b>Total</b>
Jeremy Mun	\$266,000.00	\$233,000.00	\$35,358.38	\$534,358.38

Notes:

1. \*Contribution to the Central Provident Fund, allowances and car cost (if any) are included in the column referred to as "Others-Fixed" above.
2. There were no shares granted under the PSP to Michael Mun or Jeremy Mun.
3. There were no options granted under the ESOS to Michael Mun or Jeremy Mun.

## Remuneration of Key Management Personnel

The percentage breakdown of the remuneration of the KMP in FY2021 is set out below:

	Salary (%)	Variable Bonus and Profit Sharing (%)	Others-Fixed (%)*	Total (%)**		ESOS (Number of options granted in FY 2021)***	PSP
<b>Between \$250,001 and \$500,000</b>							
Daniel Oh Yong Boon	49	43	8	100		200,000	Nil
Pavani Nagarajah	51	43	6	100		200,000	Nil
<b>Up to \$250,000</b>							
Ivan Mun Weng Kai	52	30	18	100		Nil	Nil
Annie Qian Junmin	49	43	8	100		200,000	Nil
Jason Saw Chwee Meng	74	12	14	100		200,000	Nil
Terence Kwong Man Hong	67	31	2	100		200,000	Nil

### Notes:

1. \*Contributions to the Central Provident Fund, Hong Kong Mandatory Provident Fund allowances and car costs (if any) are included in the "Others – Fixed (%)" column above.
2. \*\*The total aggregate remuneration of the abovementioned Key Management Personnel for FY2021 is \$1,705,395.53.
3. \*\*\*These details have been disclosed on page 56 of the Annual Report.
4. The terms of the ESOS are stated on pages 36 and 55 of the Annual Report.
5. The total fair value of options granted under the ESOS are stated on page 55 of the Annual Report.
6. There were no shares granted under the PSP.
7. As stated on page 35 of the Annual Report, due to the confidentiality and commercial sensitivity of remuneration matters in the industry, the Board was of the view that it would be in the best interests of the Company to disclose the remuneration of Key Management Personnel in bands of S\$250,000 and provide a percentage breakdown of various components, rather than disclosing the exact remuneration of Management.

**BY ORDER OF THE BOARD  
AZTECH GLOBAL LTD.**

Pavani Nagarajah  
Company Secretary  
29 April 2022