

JF TECHNOLOGY BERHAD

Registration No.: 200601027925 (747681-H)

REMUNERATION POLICY

(Adopted on 1 January 2022)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT TEAM

1. Introduction

This Policy is designed with the aim to support the Company's key strategies and create a strong performance-orientated environment, and be able to attract, motivate and retain directors and senior management team ("**SMT**").

2. For Executive Directors ("ED**") and SMT**

In the case of EDs and SMT, the component parts of remuneration shall be structured so as to link rewards to corporate and individual performance. Fixed remuneration for EDs including Managing Director and SMT are determined based on the following:

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

The remuneration package of EDs and SMT comprises basic salary, monetary incentives and fringe benefits.

(a) Salaries

Salaries for EDs and SMT consist of both fixed (i.e., base salary) and variable (performance-based and retention incentives) remuneration components.

(b) Performance-Based Incentives

Bonus is given at a discretionary manner involving assessment made to ensure that all factors including measurable and not directly measurable are considered.

Performance incentive payments are to reward individual EDs and SMT for outstanding performance business contributions, and in meeting with established key performance indicators (KPI) and/or set a level sufficient to provide EDs and SMT with the motivation to achieve operational targets.

(c) Other Benefits (Non-Cash Benefits or Benefits-In-Kind)

The Company may provide competitive benefits to EDs and SMT, such as a fully expensed car, fuel expenses, medical insurance and personal accident insurance. Allowances relating to business expenses (i.e., entertainment and travel) incurred are reimbursed.

The remuneration package of EDs will be reviewed by the Remuneration Committee (“**RC**”) and recommended to the Board of Directors (“**Board**”) for approval.

The RC shall assess the remuneration package of the SMT upon the review and recommendation from the EDs, before recommending the same to the Board for approval.

3. For Non-EDs (“NED”)

In the case of NEDs, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken.

Fixed fees for NEDs are determined based on the following:

- On par with the rest of the market;
- Reflect the qualifications and contributions required in view of the Group’s complexity; and
- The extent of the duties and responsibilities.

NEDs received remuneration in the form of Directors’ fees and benefits payable (include meeting allowance) as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The remuneration of NEDs shall not be based on commission or percentage of profits or turnover and NEDs are not entitled to receive performance-based bonuses.

The Directors' fees and benefits payable to the NEDs are subject to the Board's and shareholders' approvals.

4. Review of Remuneration

The RC reviews annually the remuneration for the EDs and SMT of the Company and submits its recommendation to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with the Company's corporate objectives, culture and strategy.

The RC may from time to time seek independent advice on the remuneration package of the EDs and SMT at the expense of the Company.

5. Review of Policy

This Policy is to be reviewed by the RC on a periodic basis and any requirements for amendments shall be deliberated and any recommendations for revisions shall be presented to the Board for approval.

This Policy has been reviewed and approved by the Board for adoption with effect from 1 January 2022.