

JF TECHNOLOGY BERHAD

(Company No.747681-H)

REMUNERATION POLICY

(Adopted on 21 September 2018)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

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.

2. For Executive Directors (ED) and Senior Management (SM)

In the case of EDs and SM, 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 SM is determined based on the following:-

- The scope of the duty and responsibility;
- 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 SM comprises of basic salary, monetary incentives and fringe benefits.

(a) Salaries

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

(b) Performance-based incentives

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

Performance Incentive payments are to reward individual EDs and SM for outstanding performance business contributions, and in meeting with established key performance indicators (KPI) and/or set a level sufficient to provide EDs and SM 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 SM, 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 for approval. The remuneration package of individual SM will be determined by the Group MD/ EO.

3. For Non-Executive Directors (NED)

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

Fixed fees for NEDs is determined based on the following :-

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

NEDs received remuneration in the form of Director’s fees and benefits payable (include meeting allowance) as compensation for their service 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 NED are not entitled to receive performance-based bonuses.

4. Review of Remuneration

The Remuneration Committee reviews annually the remuneration for the Executive Directors of the Company and submits recommendations 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 Remuneration Committee may time to time to seek independent advise on remuneration of Executive Directors.

5. Review of Policy

This Policy is to be reviewed by the Remuneration Committee on a periodic basis and any requirement for amendment shall be deliberated and any recommendation for revisions shall be presented to the Board for approval.

This Policy has been reviewed and approved by the Board of Directors for adoption with effect from 21 September 2018.