

HWA TAI INDUSTRIES BERHAD GROUP REMUNERATION POLICY

Policy

Hwa Tai Industries Berhad is committed to remunerate its Directors appropriately in accordance with their required qualifications, responsibilities assumed and dedication given, ensuring that such remuneration is in line with market requirements and sufficient in order to attract and retain Directors of the desired profile, but not so high as to compromise the independence of the Non-Executive Directors. The Company also aims to attract, retain and motivate professionals for the Company's senior management positions so as to fulfill the Company's strategic objectives.

The Remuneration Committee shall apply the Remuneration Policy when carrying out its scope and functions established in the Terms of Reference of the Committee. In accordance with its Terms of Reference, the Committee may delegate to the Executive Directors to determine the remuneration package of senior management of the Company.

The Company's remuneration system is based on the following principles:

Alignment with long-term value creation for shareholders

- To establish a close link between achieving strategic objectives and contributing value to our shareholders.
- To review the remuneration policy on a regular basis to ensure alignment between achieving results and creating value for the shareholder.
- To associate a significant part of the Executive Directors' remuneration with the achievement of financial, business, value-creation and sustainability objectives in their environmental, social and good governance courses.
- To establish a level of transparency in remuneration that is in line with corporate governance best practices with the aim of building trust between shareholders and investors.

Talent attraction, retention and motivation

- To offer competitive and fair rewards and benefits to attract and retain the best professionals.
- To consider the evolution of national and international standards, best practices, recommendations and trends in the remuneration of the directors of listed companies.

Compensation for professional accountability and career paths

- To offer extraordinary compensation only when the results justify it.
- To appropriately remunerate each director's professional worth, experience, dedication and responsibility.
- To ensure that there is no discrimination on the basis of age, colour, disability, ethnicity, marital status, gender identity, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, seniority, and other individual characteristic.

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Internal equity and external competitiveness

- To offer a remuneration package that is competitive with that of comparable entities, both in terms of its structure and its overall size.
- To establish amounts that provide sufficient remuneration for the qualifications, dedication and responsibility of the Directors and senior management.

In determining the remuneration of Directors, the following areas shall be considered:

Executive Directors

- Link the payment of remuneration to the Company's results.
- Align remuneration with the interests of the shareholders and the Company as a whole, so that a part of the variable remuneration is linked to sustainability objectives.
- As part of the variable remuneration evaluation process, the Remuneration Committee assesses the quality of the results in the long term and any associated risks.

Non-Executive Directors

- Remuneration is in accordance with the responsibilities and duties assumed by each Director without compromising the independence of its members.

Review

The Board of Directors can modify this Remuneration Policy at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulation and / or accommodate organisational changes within Hwa Tai Group. This Remuneration Policy was approved by the Board of Directors on 24 November 2021.