

POLICY	HEXTAR TECHNOLOGIES SOLUTIONS BERHAD Registration No. 200501034100 (716241-X)			
	Document Title: REMUNERATION POLICY			
Document No.:	HexTech-POL006-01	Revision:	1	Page No.: 1 of 3
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1. INTRODUCTION

Practice 6.1 of the Malaysian Code on Corporate Governance (“MCCG”) recommends that the Board of Directors (“Board”) should establish a policy formalising its approach to determine the remuneration package which take into consideration the demands, complexities and performance as well as skills and experience of the Directors and Senior Management.

2. OBJECTIVES

This policy applies to the Executive Directors (“ED”), Non-Executive Directors (“NED”), Group Chief Executive Officer, Group Deputy Chief Executive Officer and Senior Management of Hextar Technologies Solutions Berhad (“HexTech Group” or “the Group”).

This policy is designed to support the HexTech Group’s key strategies, create a strong performance-oriented environment which is able to attract, motivate and / or retain talents of high caliber.

This policy shall adhere to the following key principles: -

- The total remuneration shall be set at levels that are competitive with the relevant market and industry;
- ED’s remuneration shall be performance-based;
- incentive plans, performance measures and targets shall be aligned with shareholders’ interest;
- provide an appropriate level of transparency to ensure the policy underlying the ED’s, NED’s and Senior Management’s remuneration is understood by investors; and
- ensure a level of equity and consistency.

3. REMUNERATION COMPONENTS

3.1 Fixed Remuneration for Executive Directors

The fixed salary is determined according to: -

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

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3.2 Bonus

The bonus in the case of ED's and Senior Management is designed to reward outstanding performance. The bonus is granted to reflect ED's and Senior Management's performance of the HexTech Group.

A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

3.3 Fixed Fee for Members of Board of Directors (in particular of NED)

Fees payable to NED shall be by way of a fixed sum, and not based on a commission on or percentage of profits or turnover.

The fixed fee is determined according to: -

- Be on par with the market;
- Reflect the qualifications and contribution required in view of the HexTech Group's complexity;
- The extent of the duties and responsibilities; and
- The number of Board meetings.

3.4 Fixed Remuneration for Senior Management

The fixed salary is determined according to: -

- The scope of the duties and responsibilities;
- The conditions and experiences required;
- The corporate and individual performance;
- Individual's overall contribution to the Group's strategy and operation; and
- Current market rate within the industry and in comparable companies.

3.5 Other Benefits and Allowances

The benefits and allowances should be decided by the Board as a whole upon recommendation of the Nomination and Remuneration Committee ("NRC") which include: -

- Allowance of the Chairman of the Board including chairmanship and memberships of Board Committees;
- Meeting allowance;
- Expenses such as, travelling and entertainment expenses incurred in the course of their duties as directors of the Company ("Directors"); and
- Benefit in kind such as, motor vehicle, petrol, driver and accommodation and such other benefits deemed appropriate and in line with industry standards.

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The fees and benefits of Directors shall be reviewed annually by the NRC and the Board and subject to approval of shareholders at the Annual General Meeting.

4. MONITORING AND REPORTING

On an annual basis, the NRC shall discuss and agree on all measurable objectives for offering fair remuneration packages for ED, and Senior Management and recommend them to the Board for adoption. No Director shall participate or vote on the deliberations and decisions concerning his / her own remuneration.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this note, the Board therefore may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

Disclosure of Directors' remuneration shall be made in the Corporate Governance Report and Corporate Governance Overview Statement in the Company's Annual Report. Such a report and statement shall include details of the Directors' remuneration in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. REVIEW OF POLICY

The NRC should conduct a periodic review of the criteria used in recommending the remuneration package and make amendments as appropriate to align with the current market practices and requirements of the MCCG.

Any requirement for amendment shall be deliberated by the NRC, and any recommendation for revisions shall be presented to the Board for approval.

This Policy was adopted by the Board on 24 August 2023 and is made available on the Company's website, <https://www.hextartech.com>.