

Hap Seng Consolidated Berhad (26877-W)**Policies and procedures to determine the remuneration of directors and senior management**

The remuneration policy of the Company is designed to ensure that the level of remuneration is appropriate and competitive to attract and retain experienced, knowledgeable and high calibre Executive Directors and Senior Management Team needed to manage the Group successfully and deliver long term objectives to the shareholders.

The remuneration components have been structured to link rewards to corporate and individual performance. The performance of Executive Directors and Senior Management Team is measured by the achievement of the Group's and the respective business divisions' objectives. The framework of measurement is based on pre-determined Key Performance Indicators (KPIs) under three main areas of the Group's Balanced Scorecard namely Financials, Customers & Market, Internal Business Processes and Learning & Growth.

To ensure the competitiveness of remuneration, the Group participates in industry remuneration surveys conducted by independent professional companies to obtain up-to-date market information for remuneration benchmarking.

For Non-Executive Directors, the policy is to ensure that the remuneration commensurate with their respective responsibilities and commitments to the Board and the Group. The fees payable are determined based on the level of expertise, experience, responsibilities undertaken and time commitment required of the Non-Executive Directors. The Group also undertakes periodic reviews to ensure the reasonableness and competitiveness of our Non-Executive Directors' remuneration against other companies of similar size and complexity.