

Hap Seng Consolidated Berhad (26877-W)**REMUNERATION COMMITTEE****Terms of Reference of Remuneration Committee****Membership**

The remuneration committee shall be appointed by the board from amongst the directors of the Company upon the recommendation of the nominating committee and shall consist of not less than 3 members, whom must be non-executive directors and majority are independent directors.

Frequency of Meetings

The remuneration committee shall meet as often as it requires but at least once per financial year.

Attendance at Meetings

The quorum necessary for the transaction of business shall be 2 members and decisions are by majority votes.

Proceeding of Meetings

- The chairman of the remuneration committee may invite personnel such as the managing director, chief executives of the business divisions or the head of the human resource department as and when appropriate and necessary.
- In the absence of the chairman, the remuneration committee shall appoint one of the independent non-executive members present to chair the meeting.
- Questions arising at any meeting where a quorum is present shall be decided by a majority of votes of the members present, each member having 1 vote.
- In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

Scope of Authority

The remuneration committee does not have the delegated authority from the board to implement its recommendations but is obliged to report its recommendations to the full board for its consideration and implementation.

Responsibilities of Remuneration Committee

- To review, determine and agree with the Board the remuneration policy of the executive directors and senior management personnel of the Company, after taking into account the Company's operating results, individual performance and comparable market statistic to ensure that the executive directors and senior management personnel are adequately incentivised and remunerated to encourage enhanced performance.
- To constantly review the ongoing appropriateness and relevance of the remuneration policy.
- Within the terms of the agreed policy and in consultation with the chairman, to determine the total individual remuneration package of each executive director including bonuses and yearly increment.

Reporting Procedure

The company secretary shall circulate the minutes of meetings of the remuneration committee to all members of the board.

Interest of Remuneration Committee Members

Members of the remuneration committee shall not participate or be involved in the deliberations or discussions of their own remuneration.