

Hap Seng Consolidated Berhad
Terms of Reference of Remuneration Committee

HAP SENG CONSOLIDATED BERHAD
REMUNERATION COMMITTEE

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Membership

The 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, a majority of whom must be non-executive 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 committee may invite personnel such as the chief executives of the business divisions, 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 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.

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.

Primary Responsibilities of Remuneration Committee

- To determine and agree with the board, the broad policy for the remuneration of the executive directors of the Company, after taking into account all relevant factors to ensure that the executive directors 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.

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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.