

Hap Seng Consolidated Berhad 197601000914 (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 recommendation of the Nominating Committee and shall consist of not less than three members, who must be non-executive directors and the majority of whom are independent directors.
- In the event the number of members is less than the required number of three due to resignation or for any reason whatsoever, the Board shall within three months appoint new member(s) to fill up the vacancy. All members of Remuneration Committee shall hold office until otherwise determined by the Board or until they cease to be a director of the Company.

Attendance at Meetings

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

Frequency of Meetings

The Remuneration Committee shall meet as often as it requires but at least twice per financial year.

Proceedings 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 one 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 Board for its consideration and implementation.

Responsibilities of the Remuneration Committee

- To review and recommend to the Board the remuneration package 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 improve performance and retention.
- To review and recommend to the Board on the remuneration of non-executive directors, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken as well as comparable market statistic.
- To review 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.
- To support the Board in actively overseeing the design and operation of the Company's remuneration system in a fair and transparent manner.
- To engage with key stakeholders, including Management, regulators, shareholders, employees regularly.
- To communicate with other Board Committees frequently, namely Nominating Committee, to align remuneration policies and procedures to succession plans and talent management of executives, to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures.
- To oversee the qualitative and quantitative disclosures of remuneration made in the annual report/CG report and notice to general meetings, and ensure that resolution on the approval of the fees for non-executive directors is tabled at general meetings.

- To provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of the company.