



**SEG**  
International  
Bhd

(145998-U)

## **REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT**

### **Purpose**

The remuneration policy (“the Policy”) is designed to support key business strategies and create a strong, performance-orientated environment. The objective of the Policy is to attract, motivate and retain Directors/talent of calibre needed for the achievement of the Company’s strategic objectives. The remuneration is structured so as to link rewards to the performance for the executive directors. The non-executive directors are paid annual fees for their contributions to the Company.

The Policy ensures that a significant proportion of the remuneration of executives is aligned with corporate performance, generating a strong alignment of interest with shareholders.

### **Board of Directors**

#### Non-executive members of the Board

Each non-executive member of the Board receives an annual fixed fee as well as reimbursements for travelling for participation in Board meetings and Board committees meetings. The fees for the chairman of both the Board as well as the Board Committees will be higher if compared with other non-executive members. Also, additional travelling reimbursements will be made to the chair of the Board and the Board committees for chairing the Board and Board committee meetings.

Non-executive members of the Board are not entitled to variable remuneration. The fees of the non-executive directors are reviewed annually by the Remuneration Committee and recommended for the Board to present for shareholders’ approval. Each year the general meeting approves the fees to the Board of Directors.

#### Executive members of the Board

The executive members of the Board do not receive fees for participation in Board meetings and Board committees meetings. The components of remuneration for executive directors comprise base salary (a fixed sum payable monthly which is reviewed annually), benefits (including car allowance and non-contributory health insurance), an annual bonus (based on the Group’s performance).

#### ➤ *Fixed salary*

The executive’s fixed salary shall be competitive and based on the individual executive director’s responsibilities and performance.

➤ Non-monetary benefits

The executive directors will be entitled to customary non-monetary benefits such as company cars and company health care. In addition thereto in individual cases, other benefits may also be offered, for instance, annual travelling package.

➤ Annual bonus

A significant part of the remuneration package will be linked to the achievement of corporate performance targets. The performance-related element comprises annual bonus. The annual bonus is designed to reward outstanding performance of the executive directors. The annual bonus may be based on inter alia the performance of the entire SEGi Group or the performance of a certain part of the Group where the executive is employed. The performance will be related to the fulfillment of various improvement targets or the attainment of certain financial objectives. Such target will be set by the Board or the Executive Committee and may relate to inter alia operating income, operating margin or cash flow.

➤ Long Term Incentive Plan (“LTIP”)

The LTIP serves to attract, retain, motivate and reward valuable employees and Executive Directors of SEGi Group through the award of ordinary shares in SEGi (“SEGi Share(s)”) or the rights to subscribe for SEGi Shares as determined by the LTIP Committee. The LTIP comprises the performance share plan grants (“Share Grants”) and employees’ share options scheme options (“ESOS Options”).

## **Senior Management**

➤ *Fixed salary*

The aim with the fixed salary of the executive management is to attract and retain the best qualified members to the executive management. The elements of the fixed remuneration are determined based on market standards and the Group's specific needs from time to time.

As part of the fixed salary, the Group may offer other standard benefits, such as a company car scheme and reimbursement for mobile charges.

The executive directors/management evaluate the fixed salary annually based on the results from the previous period and with due consideration to the trend within the market standards.

➤ *LTIP*

The LTIP serves to attract, retain, motivate and reward valuable employees and Executive Directors of SEGi Group through the award of ordinary shares in SEGi Shares or the rights to subscribe for SEGi Shares as determined by the LTIP Committee. The LTIP comprises the Share Grants and ESOS Options.

➤ *Change in incentive plan*

The executive directors may change or phase out one or more incentive plans introduced pursuant to this Policy. In the evaluation of whether this should be done, the criteria that formed the basis of the establishment of the plan will be taken into account. However, such changes can only be made within the framework of this Policy. More extensive changes must be approved by the Board.

### **Roles of the Remuneration Committee**

The roles of the Remuneration Committee are:

- to ensure remuneration package of directors are aligned with business strategy and long term objectives of the Group;
- to review the directors' performance in line with the corporate objectives and decide on the remuneration packages of the executive directors;
- to reflect the Board's responsibilities and expertise against the complexity of the Group's activities;
- to monitor and evaluate the remuneration packages of the Board members annually;
- to monitor and evaluate the current remuneration structures and levels of the Board members; and
- to monitor and evaluate the application of this Policy.

### **Authority to decide on deviations from the Policy**

The Board of Directors may deviate from the Policy if there are specific reasons to do so in an individual case. The Board may also consider and approve special incentives or other payouts to certain executives in recognition of the executive(s)'s long association and commitment with the Group.

### **Publication**

The Policy will be reviewed regularly by the Board to ensure it continues to remain relevant and appropriate and the outline or summary of the Policy will be published on the Company's website, <http://policies.segi.edu.my>.