



SEG
International
Bhd

(145998-U)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Constitution

The Board of Directors resolved to establish a Committee of the Board to be known as the Remuneration Committee on 10 October 2001.

The terms of reference of the Remuneration Committee shall be as follows:

Membership

The Board of Directors will appoint a majority of members who are Non-Executive Directors as members of the Remuneration Committee. The Committee shall consist of not less than two (2) members.

Authority

The Committee is authorised by the Board to set up the policy framework and to make recommendations to the board on the remuneration packages of the directors.

Executive directors shall abstain from the deliberations and voting decisions in respect of their remuneration. The Board as a whole, will decide on non-executive directors' remuneration. The individual director concerned, should abstain from participating in decisions in respect of his individual remuneration.

The Committee is also authorised by the Board to secure formal and informal consultations with relevant parties including independent consultants, if necessary, to ensure that the remuneration policies of the Company are competitive.

Objectives

The objectives of the Remuneration Committee are to ensure that the remuneration policies of the Company are competitive, thereby enabling the Company to attract and retain high calibre executives and at the same time protect the interests of the shareholders.

The component parts of remuneration would be structured so as to link rewards to corporate and individual performance, in the case of executive directors. In the case of non-executive directors, the level of remuneration should reflect the experience and level of expertise and responsibilities undertaken by the particular non-executive director concerned.

Duties of the Committee

The duties of the Committee are:

- To establish a competitive compensation package, which reflects market value, sustained individual performance, job responsibilities and the group's performance against financial objectives.
- To review the directors' performance in line with the corporate objectives and decide upon the remuneration package of the executive directors.
- To establish a formal and transparent procedure for developing policy on executive remuneration.

Meetings

Meetings of the Committee shall be held not less than once a year and from time to time as determined by the members of the Committee. Written notice of the meeting together with an agenda shall be given to the members of the Committee. The quorum for a Meeting of the Committee shall be two (2) and any decision shall be by a simple majority.

The Company Secretary shall be the Secretary of the Committee.

Reporting Procedures

The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Board.