

SEAL INCORPORATED BERHAD (4887-M)
(Incorporated in Malaysia)

REMUNERATION COMMITTEE

Constitution

The Board of Directors (the Board) resolved to establish a Committee known as the Remuneration Committee (Committee) on 22 August 2002. The terms of reference of the Committee shall be as follows:

Objective

To review and recommend to the Board, a formal and transparent policy on executive remuneration and for fixing the remuneration packages of individual directors, including management development and succession plans, and to approve employee compensation and benefits programme.

Composition of the Remuneration Committee

The Committee shall be appointed by the Board from among its Directors and shall fulfil the following requirements:

- a) the Committee shall be composed of no fewer than three (3) members;
- b) the Committee shall consist mainly of non-Executive Directors; and
- c) there must be a quorum of a majority of the members for the Committee Meeting to be held.

The members of the Committee shall elect a Chairman from among their number who shall be a non-executive director. Membership of the remuneration committee should appear in the directors' report.

The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the non-compliance of the composition of the Committee appoint such number of new members as may be required to comply with the required composition.

The Board shall review the term of office of each of its members at least once every three years.

Rights

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company:-

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to any information pertaining to the Company;
- c) have direct communication channels with the management staff; and
- d) be able to obtain independent professional or other advice.

Functions

The functions of the Committee shall include the following:

- a) to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary. Executive Directors should play no part in decisions on their own remuneration.
- b) to recommend to the Board the determination of remuneration packages of non-Executive Directors, including the non-Executive Chairman. The individuals concerned should abstain from discussion on their own remuneration.
- c) establish a formal and transparent procedure for developing policy on executive directors remuneration and for fixing the remuneration packages of individual Director.
- d) disclose in the Annual Reports the details of the remuneration of each Director.
- e) compensation policies and programme.
- f) in conjunction with the Nominating Committee, succession planning for senior officers, key group managers and staff.
- g) employee compensation and benefits programme.

Meetings

The Committee shall meet at least once a year and as and when deemed necessary for the discharge of its responsibilities. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting.

The quorum for a meeting of the Committee shall be two (2) Provided Always that the majority of members present must be non-executive directors.

The Committee may invite any person to be in attendance at the meeting to assist in its deliberations. Executive directors should play no part in decisions on their own remuneration.

The Company Secretary shall be the Secretary of the Committee. All decisions shall be reported to the Board.

Reporting Schedules

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