



**SUCCESS TRANSFORMER
CORPORATION BERHAD**
(636939-W)

BOARD CHARTER

(Incorporating amendments as at 15 October 2018)

Approved by Board : 26 May 2014
Revision : 15 October 2018

1. PURPOSE OF CHARTER

The Board Charter sets out the authority, responsibilities, membership and operation of the **Board of Directors** (or “**Board**”) of **SUCCESS TRANSFORMER CORPORATION BERHAD** (“the **Company**”), adopting principles of good corporate governance and practice, in accordance with the applicable laws in Malaysia.

2. AUTHORITY

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the law and regulations governing companies in Malaysia.

3. ROLE OF BOARD

The Board's role is to:-

- review and adopt a strategic plan for the Company, addressing the sustainability of the Company's business policies and performance and ensure they fit in with the Company's overall business strategy;
- represent and serve the interests of shareholders by overseeing and evaluating the Company's strategies, policies and performance;
- identifying principal risks faced by the Group and ensuring the implementation of appropriate systems to manage and mitigate these risks;
- monitor the Company's performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by laws and regulations and the Company's Memorandum and Articles of Association and within a framework of prudent and effective controls that enable risks to be assessed and managed;
- reviewing the adequacy and integrity of the Group's internal control management information system;
- set, review and ensure compliance with the Company's values; and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs; and
- succession planning, including appointing and training, replacing Directors.

4. DELEGATION TO COMMITTEES

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its duty and responsibilities. The Board shall, as a minimum, establish the following committees and shall adopt charters setting out matters relevant to the authority, responsibilities, membership and operation of the following committees:-

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Board may also delegate specific functions to ad hoc committee(s) as and when required. The powers delegated to these committees are set out in the Terms of Reference of each of the Board Committees as approved by the Board.

5. RELATIONSHIP WITH MANAGEMENT

- Directors may delegate their powers as they consider it appropriate through appropriate manual of delegations or manual of authorities. However, ultimate responsibility for strategy and control rests with the Directors as guided by the Managing Director.
- The Board will be supplied by Management with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.
- All Directors will be provided with advance notice of Board meetings, even those called at short notice.
- Every possible effort will be made to ensure that Board papers tabled at a Board meeting will be made available in good time to all Directors attending, regardless of location.
- Any abstention, due to any reason whatsoever including but not limited to conflict of interest, must be indicated to the Chairman at the time the matter is being considered and recorded in the Minutes.
- The Management may be invited from time to time to Board meetings, as the Directors deem necessary.
- The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board and by other officers to whom management function is properly delegated by the Managing Director.

6. MATTERS WHICH ARE SPECIFICALLY RESERVED FOR THE BOARD OR ITS COMMITTEES INCLUDE THE FOLLOWING:-

- Appointment of the Chairman.
- Appointment of Directors to fill a vacancy or as additional Directors.
- Establishment of Board Committees, their membership and delegated authorities.
- Approval of interim dividend and recommendation of final dividend for shareholders' approval.
- Review of corporate governance principles and policies.
- Approval of annual business plan and company scorecard.
- Approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management.
- Calling of meetings of shareholders.
- Review of whistle blowing reports, Any other specific matters nominated by the Board from time to time.

- Determination of the remuneration package of Directors, including Executive Chairman and Senior Management.

7. STRUCTURE

The Company's Memorandum & Articles of Association governs the regulations and proceedings of the Board. The Board, together with the Nomination Committee, determines the size and composition of the Board subject to the terms of the Company's Memorandum & Articles of Association.

7.1. Board Composition

- The Board should comprise of at least two (2) or one-third (1/3) of Independent Non-Executive Directors according to the Paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad and comprise directors with a broad range of skills, diversity, expertise and experience from range of backgrounds.
- The Chairman is appointed from amongst the Directors as approved by the Board.
- The Board regularly reviews the independence of each Non-Executive Director in light of information relevant to this assessment as disclosed by each Non- Executive Director to the Board.
- A Director is considered to be independent for the purposes of service on the Board and Board Committees if the Director satisfies the standards adopted by the Board from time to time to assist it in its regular 'independence' determinations.
- The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgments.

7.2. Chairman and Managing Director

The Company aims to ensure a balance of power and authority between the Chairman and the Managing Director.

The positions of Chairman and Managing Director are held by two different individuals with a clear division of responsibility between the running of the Board with focusing on governance and compliance, and the Company's business and operations, respectively.

As such, no one individual has unfettered power of decision-making.

7.2.1. Chairman

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role.

Chairman is responsible for –

- Leads the Board in establishing and monitoring good corporate governance practices in the Company
- Leads the Board and ensure effectiveness in all aspects of its role.
- Ensure an efficient organisation and conduct of the Board's function and meetings.
- Facilitate the effective contribution of all Directors at Board Meetings.
- Chairs Board meetings and encourages active participation and allowing dissenting views to be freely expressed and discussed.
- Chairs general meetings of the Company and provides clarification on issues that may be raised by the shareholders.
- Promote constructive and respectful relations between Directors, and between the Board and Management of STC.
- Ensure effective communication with shareholders and relevant stakeholders.

7.2.2. Managing Director

The Managing Director is the conduit between the Board and the management in ensuring that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.

Managing Director is responsible for -

- Managing day-to-day operations of the Company's business.
- Implementing policies of the Board, overseeing the Group's operations and developing the Group's business strategies, which include performance targets and long-terms goals established by the Board.

All Board authorities conferred on the management is delegated through the Managing Director and this will be considered as the Managing Director's authority and accountability as far as the Board is concerned.

7.3. Company Secretary

The Company Secretary is a qualified company secretary under Section 235(2)(a) of the Companies Act 2016.

The Company Secretary provides support to the Board and Board Committees that includes (but not limited to) the following areas:

- Advisory role to the Board with regards to the Malaysian Code on Corporate Governance 2017, Main Market Listing Requirements, Companies Act 2016, TOR of the Board Committees, Board Charter and the consequential application, disclosure and compliance requirements.
- Manage the logistics of Board and Board Committee Meetings. Attendance and minutes are properly recorded and kept by the Company Secretary. The Company secretary ensure that deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant Management for appropriate actions.
- Facilitating the orientation of new Directors and assist in Directors' training and development.
- Management of the Annual General Meeting thus ensuring the due processes and proceedings are in place and properly managed. The Company Secretary will assist the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly the questions raised by the shareholders.
- It is also the responsibility of the Company Secretary to keep abreast of current governance practices and update the same to the Board. Ms Pang Kah Man attends relevant continuous professional development programmes mandated by Companies Commission of Malaysia ("CCM") and keeps the Board updated on relevant developments, either in writing or briefing at the Board meeting. All Board members are entitled to unlimited and unrestricted access to the professional advice and services of the Company Secretary.

7.4. Election and Re-election

The Company complies with the laws and regulations governing the election and re-election of Directors in addition to the provisions of its Memorandum & Articles of Association.

8. REVIEW

This Board Charter is to be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities. Any of the updated Board Charter shall be made available on corporate website.