



Success Transformer Corporation Berhad
[Registration No. 200301034518 (636939-W)]
(Incorporated in Malaysia)

Directors' Fit and Proper Policy

(Adopted on 24 May 2022)

A fit and proper policy serves as a guide to the Nomination Committee (“**NC**”) and the Board of Directors (“**Board**”) in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

The NC will review the composition of the continuing members of the Board and Board Committees annually and make recommendation(s) to the Board for any new appointment to the Board or Board Committees when necessary, and annual re-election of the Directors. The Board then determines whether or not to approve the recommendation of the new appointment, election or re-election.

All members of the Board are required to have the character, experience, integrity, competence and time to perform their duties and carry out their responsibilities required in their position in an effective manner.

In assessing a person’s level of fitness and propriety, the Board via the NC, shall consider the overarching criteria include but not limited to the following:-

I. Character and integrity

(a) Probity

- The person is compliant with legal obligations, regulatory requirements and professional standards;
- The person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court;

(b) Personal integrity

- The person has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity;
- The person has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance;

(c) Financial integrity

- The person manages personal debts or financial affairs satisfactorily;
- The person demonstrates ability to fulfil personal financial obligations as and when they fall due;

(d) Reputation

- The person is of good repute in the financial and business community;
- The person has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- The person has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;

II. Experience and competence

(a) Qualifications, training and skills

- The person possesses education qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix);
- The person has a considerable understanding on the workings of a corporation;
- The person possesses general management skills as well as understanding of corporate governance and sustainability issues;
- The person keeps knowledge current based on continuous professional development;
- The person possesses leadership capabilities and a high level of emotional intelligence;

(b) Relevant experience and expertise

- The person possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities;

(c) Relevant past performance or track record

- The person had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations;
- The person possesses commendable past performance record as gathered from the results of the board effectiveness evaluation;

III. Time and commitment

(a) Ability to discharge role having regard to other commitments

- The person is able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations).

(b) Participation and contribution in the Board or track record

- The person demonstrates willingness to participate actively in board activities;
- The person demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- The person manifests passion in the vocation of a director;
- The person exhibits ability to articulate views independently, objectively and constructively;
- The person exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to make the fit and proper declaration in the form as set out in Appendix I of this Board Charter or in such other forms as the NC may from time to time prescribe or approve.