



Success Transformer Corporation Berhad

[Registration No. 200301034518 (636939-W)]

(Incorporated in Malaysia)

Remuneration Policy

1. Objectives

Success Transformer Corporation Berhad (“**Company**”) has established a Remuneration Policy that sets out the remuneration philosophy and procedure. The Remuneration Policy is designed with the key objective of attracting, motivating, rewarding and retaining experienced, qualified and high calibre members of the Board of Directors (“**Board**”) and also the right calibre of Senior Management and employees to drive the business strategy, objectives, values and long-term interests of the Company.

The Remuneration Policy shall adhere to the following key principles:-

- Determine the level of remuneration package of Directors and Senior Management.
- Attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration package.
- Provide a remuneration such that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their position.
- Encourage value creation for the Company and its stakeholders by attracting and retaining the right talent in the Board and Senior Management.

2. Remuneration Components

2.1 Fixed remuneration for Executive Directors (“EDs”), Senior Management and directors of the subsidiaries

The fixed remuneration for EDs, Senior Management and directors of the subsidiaries is made up of salary, bonus and benefits-in-kind.

2.1.1 Salary

The salary is determined according to:-

- the scope of duties and responsibilities;
- the merit, qualification, competence and experiences required;
- the ethical values, internal balances, business strategy and long-term objectives of the Company;
- the Company's operating results and individual performance including managing material sustainability risks and opportunities; and
- the current market rate within the industry and in comparable companies.

2.1.2 Bonus

The bonus in the case of the EDs is designed to reward their performance. The bonus is granted to reflect the EDs' performance as well as the Company's results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

2.1.3 Other benefits

The Company may provide competitive benefits to EDs, Senior Management and directors of the subsidiaries.

2.2 **Fixed remuneration for Non-Executive Directors ("NEDs")**

The fixed remuneration for NEDs is made up of Directors' fees and other benefits such as meeting allowances. The level of remuneration for NEDs shall reflect the recognition of workload, duties and responsibilities for the NEDs who sit on the Board and Board Committees, by ensuring the balance between compensating for time spent and frequency of meetings. The fees payable to NEDs shall not be based on commission, percentage of profits or turnover.

3. **Review**

The Remuneration Committee ("**RC**") should conduct a review of the criteria to be used in recommending the remuneration package of Directors and Senior Management as and when required. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

4. **Review of Policy**

This Remuneration Policy will be reviewed periodically by the RC and will be amended as appropriate to align with the current market practices and requirements of the Malaysian Code on Corporate Governance and any other new requirements.