



Success Transformer Corporation Berhad

[Registration No. 200301034518 (636939-W)]
(Incorporated in Malaysia)

Terms of Reference of the Risk Management and Sustainability Committee

(Adopted on 26 May 2026)

1. Objective

The primary objectives of the Risk Management and Sustainability Committee (“**RMSC**”) of Success Transformer Corporation Berhad (“**Company**”) is to assist the Board of Directors of the Company (“**Board**”) on identification, evaluation and manage the significant of risks associated to current business of the Company and its subsidiaries (“**Group**”) and ensure the implementation of appropriate systems to manage the overall risk exposure to safeguard shareholders’ investments and the Group’s assets. The RMSC also assists the Board to fulfil its oversight responsibilities in relation to risk management and the Company’s sustainability policies and practices and reporting to the Board on the Group’s sustainability performances and to review the sustainability reporting and disclosure requirements.

2. Composition

The composition of the RMSC shall consist of a Chairman, a Chief Risk Official (“**CRO**”), a Secretary and other members from the management team. The members of the RMSC shall comprised of at least two (2) Directors from the Board, relevant Head of Department (“**HOD**”) and manager(s) as recommended by the Chairman. The Chairman of the RMSC shall be appointed by the Board amongst its Directors.

3. Meetings

(a) Frequency of meetings

RMSC meetings shall be conducted not less than one (1) time and such additional meetings as may be required for the RMSC to fulfil its duties. In addition, the Chairman may call for additional meetings at any time at the Chairman’s discretion.

(b) Attendance of Meetings

The RMSC meeting shall normally be conducted in physical mode for effective discussion. However, the RMSC meetings may also be conducted by means of video conference or hybrid mode.

4. Quorum

The quorum for the meeting shall be two (2) members, and either Chairman or CRO must be present in the meeting.

5. Minutes

Minutes of the RMSC meeting shall be recorded by the Secretary and circulated promptly to all members of the RMSC for review, and approved by the Chairman. Thereafter, a copy of the minutes shall be circulated to the Chairman of the Audit Committee (“**AC**”) for perusal and further discussion if required.

6. Duties and responsibilities

The duties and responsibilities of the RMSC are as follow : -

6.1 With regards to Risk Management:

- (a) Establish and oversee risk management framework and policies of the Group. In doing this, the RMSC may identify the level of risk tolerance, to assess and monitor any key business risks of the Group.
- (b) Communicate risk and manage risk profiles across the Group.
- (c) Ensure the key business risks are effectively managed, minimise or prevent.
- (d) Establish an appropriate system to identify and report potential business risk and remedial action to be taken.
- (e) Develop risk control, monitor, and ensure it align with Group’s overall strategic objectives to mitigate and manage these risks effectively.

- (f) Ensure that there are adequate resources to support the risk management function in fulfilling its responsibility and responding to the key risks area within the Group's governance, operations and information systems including reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with relevant laws and regulations.
- (g) Identifying significant concerns and risks areas perceived for inclusion in the internal audit plan and propose to the AC for approval.
- (h) Report to the AC on the risk findings not less than one (1) time a year and propose course of action to be taken to ensure controls are put in place to address the risks.

6.2 With regards to Sustainability Management:

- (i) Assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategy and initiatives covering economic, environmental, social and governance as well as embedding sustainability practices into the Group's business.
- (j) Review the implementation of the Group's sustainability related strategies and initiatives.
- (k) Identify and evaluate material sustainability related risks and opportunities relating to the Group.
- (l) Oversee integration of sustainability risks into the Group's overall risk management framework.
- (m) Review performance of measurable sustainability commitments and present progress towards targets to the AC.
- (n) Ensure ESG disclosures compliance and prepare Sustainability Statement for inclusion in the Company's Annual Report for the AC's approval, and subsequent approval by the Board.

7. Authorities

The RMSC is authorised for the following and at the expense of the Company:-

- (a) obtain independent professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary, to assist the RMSC to discharge its duties as it considers appropriate;
- (b) explicit authority to investigate any matter within its Terms of Reference;

- (c) have the resources which are required to perform its duties;
- (d) full and unrestricted access to information and documents within the Group to perform its duties;
- (e) have direct communication channels with the external auditors and internal auditors, and to engage on a continuous basis with the senior management such as the Chairman, the Managing Director and Directors of the Group in order to be kept informed of matters affecting the Group.

8. Revision and Update

- (a) The RMSC shall recommend any changes to its Terms of Reference in such manner as the RMSC deems appropriate to the AC for approval.
- (b) The Terms of Reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the RMSC's role.
- (c) A copy of the Terms of Reference shall be made available on the Company's corporate website.