Success Transformer Corporation Berhad

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

Terms of Reference of the Remuneration Committee

(Revised and adopted on 13 October 2026)

1. Objective

The primary objective of the Remuneration Committee ("**RC**") of Success Transformer Corporation Berhad ("**Company**") is to ensure that remuneration policies and framework for the Board of Directors of the Company ("**Board**") and senior management are transparent, equitable, and consistent with the principles of good governance, while taking into account market benchmarks, individual performance and the financial position of the Company and its subsidiaries ("**Group**").

2. Composition

Members of the RC shall be appointed by the Board amongst its Directors and shall consists of at least three (3) members. Majority of the members of the RC must be non-executive directors, with a majority of them being independent directors. No alternate Director of the Board shall be appointed as a member of the RC.

*In this respect, the Board adopts the definition of "independent director" as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and any practice notes issues thereto.*

Where the members of the RC for any reason are reduced to less than three (3), resulting in non-compliance to the composition criteria as stated in paragraph 2, the Board shall based on the recommendation of the NC, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. Chairman

The members of the RC must elect a Chairman amongst themselves and shall be an Independent Director. The Chairman of the RC shall not be the Chairman of the Board. In the absence of the Chairman, the other members of the RC present at the meeting shall amongst themselves elect another member who must be an Independent Director to chair the meeting.

4. Secretary(ies)

The Secretary(ies) of the RC shall be the Company Secretary(ies) of the Company.

The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the RC.

5. Authority

The RC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:-

(a) have explicit authority to investigate any matter within its Terms of Reference;

(b) perform the activities required to discharge its responsibilities and report to the Board its recommendations;

(c) have the resources which are required to perform its duties;

(d) be able to obtain independent professional advice or other advice as necessary in recommending to the Board the remuneration policies and framework for the Directors and senior management;

(e) no individual should be directly involved in deciding their own remuneration and shall abstain from deliberations and voting on the decision in respect of their own remuneration package; and

(f) have full and unrestricted access to information and documents within the Group to perform its duties.

6. Duties and Responsibilities

The duties and responsibilities of the RC are as follows:-

(a) to review and implement the Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management, and recommend to the Board for approval;

(b) to assist the Board in formulating policies and guidelines for the composition of various components of remuneration such as basic salary, bonus, and other benefits for Directors and senior management, and recommend to the Board for approval;

(c) to assist the Board in establishing a formal and transparent remuneration policies and procedures that takes into account the demands, complexities and performance of the Company as well as skills and experience required, which should be sufficient to attract, retain and motivate Directors and senior management of the caliber and quality required to manage the business of the Group successfully, and recommend to the Board for approval.

(d) to review and assess the remuneration packages of the Directors and senior management in all forms. The remuneration packages shall be determined on the basis of the Directors' and senior management's merit, qualification and competences, while having regard to the Group's operating results, individual performance and comparable market statistics, which are aligned with the business strategy and long-term objectives of the Group. In addition, the performance of the Group in managing material sustainability risks and opportunities should also be considered;

(e) to determine, review and recommend to the Board, the remuneration packages of Non-Executive Directors, including Non-Executive Chairman for shareholders' approval at general meetings in accordance with the Companies Act 2016 and ensure that remuneration for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgement on matters discussed;

(f) to ensure that fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings;

(g) to review any major changes in employee remuneration and benefit structures throughout the Group;

(h) to recommend to the Board any performance related pay schemes for the Company or Group; and

(i) to consider other matters as defined by the Board.

7. Procedure of the RC Meetings

7.1 Frequency of Meetings

The RC shall meet at least once a year and such additional meetings as may be required for the RC to fulfil its duties. In addition, the Chairman may call a meeting if a request is made by any RC member.

7.2 Quorum

A quorum for the meeting shall be two (2) members. No business shall be transacted at any meeting unless a quorum is present.

7.3 Notice of Meetings

Reasonable notice of RC meetings shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all RC members, except in the case of emergency, where the RC may waive such requirement.

7.4 Voting and Proceedings of Meetings

The RC members may participate in a meeting by way of telephone and video conferencing or by means of other communications equipment whereby all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly.

Questions arising at any meeting of the RC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the RC shall have a second or casting vote. The RC member shall abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

7.5 Circular Resolution

A resolution in writing signed by a majority of the RC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the RC duly called and constituted. Any such resolution may consist of several documents in like form, each signed by one (1) or more RC members. Any such document may be accepted as sufficiently signed by a RC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a RC member.

7.6 Minutes of Meetings

Minutes of the RC meeting shall be circulated promptly to all members of the RC and once agreed, to all members of the Board for their notation. The Secretary(ies) shall keep record of all conclusions and resolutions passed at all meetings of the RC, including the names and signatures of the attendees.

The minutes of the RC meetings shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.

Full minutes of the RC meetings shall be kept by the Secretary(ies) at the registered office.

8. Revision and Update

This Terms of Reference shall be periodically reviewed and updated by the RC taking into consideration the needs of the Group as well as any development in the rules and regulations that may have an impact on the discharge of the RC's responsibilities, and this Terms of Reference shall be made available on the Company's corporate website.

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