



Success Transformer Corporation Berhad

[Registration No. 200301034518 (636939-W)]

(Incorporated in Malaysia)

Terms of Reference of the Nomination Committee

(Revised and adopted on 24 May 2022)

1. Objective

The objective of the Nomination Committee (“**NC**”) of Success Transformer Corporation Berhad (“**Company**”) is to identify and recommend to the Board of Directors (“**Board**”) the suitable nominees for appointment to the Board and Board Committees.

2. Composition

The NC shall be appointed by the Board from amongst the Directors which consists of not less than three (3) members. All the members of the NC must be non-executive directors, with a majority of them being independent directors.

In the event that a member of the NC vacates office resulting in the total number to reduce to below three (3), the Board shall, within three (3) months of that event, appoint anew member to make up the minimum number of three (3) members.

3. Chairman

The NC shall be chaired by an Independent Director or the Senior Independent Director appointed by the Board from amongst the NC members. The NC Chairman shall chair all the NC meetings but in the absence of the Chairman, the members of the NC present can elect from amongst themselves as the Chairman of the NC meeting.

The Chairman of the NC shall:-

- (i) lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and CEO; and
- (ii) lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.

4. Secretary(ies)

The Secretary(ies) of the NC 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 NC.

5. Authority

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

- to perform the activities required to discharge its responsibilities and report to the Board its recommendations;
- be supplied in a timely manner with information in a form and of a quality appropriate to enable it to carry out its duties effectively;
- to select, engage and obtain professional advice and the services of the Secretary(ies) who is responsible for ensuring that the Board's procedures are followed; and
- to have full and unrestricted access to information pertaining to the Company and its subsidiaries and associated companies.

6. Duties and responsibilities

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

- a. to identify and recommend to the Board, suitable nominees for appointment to the Board and Board Committees, based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender;
- b. to facilitate and organise the effectiveness assessment for the Board, the Board Committees, each individual Directors and the Company Secretaries on an ongoing basis;
- c. to establish a policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
- d. to review regularly the board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- e. to develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. To disclose the nomination, election process of Directors and criteria used in the selection process in Annual Report;
- f. to consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer or any other senior executive or any Director or Shareholder, including utilising independent sources to identify suitably qualified candidates;
- g. to assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which Non- Executive Directors should bring to the Board;

- h. to review the term of office and performance of the Audit Committee (“**AC**”) and each of its members annually to determine whether the AC and its members have carried out their duties in accordance with their terms of reference;
- i. to assess on annual basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution and performance of each individual director. The evaluation of the Board includes a review of the Board’s performance in addressing the Group’s material sustainability risk and opportunities;
- j. to recommend to the Board for continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation, in accordance with the Companies Act 2016 and/or the Constitution of the Company. The annual re-election of Director(s) should be based on satisfactory evaluation on the Director’s performance and contribution to the Board;
- k. to review on annual basis, the length of service of each Independent Non-Executive Director and to assess their independence and ability to exercise their independent judgement or the ability to act in the best interest of the Company.

The tenure of an Independent Director should not exceed cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders’ approval annually through a two-tier voting process;

- l. to review the Board and management succession plan;
- m. to define induction plan for newly appointed Directors, to review the fulfilment of director’s training, and disclose details in the annual report as appropriate; and
- n. to consider other matters as defined by the Board.

7. Procedure of the NC Meetings

7.1 Frequency of Meetings

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

7.2 Quorum

A quorum shall consist of a majority of the members of the NC. No business shall be transacted at any meeting unless a quorum is present.

7.3 Notice of Meetings

Reasonable notice of NC 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 NC members, except in the case of emergency, where the NC may waive such requirement.

7.4 Voting and Proceedings of Meetings

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

7.6 Minutes of Meetings

Minutes of the NC meeting shall be circulated promptly to all members of the NC 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 NC, including the names and signatures of the attendees.

The Minutes of the NC 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 NC meetings shall be kept by the Secretary(ies) at the registered office.

8. Review of the Terms of Reference of the NC

This Terms of Reference shall be periodically reviewed and updated by the NC taking into consideration the needs of the Group and shall be made available on corporate website.