



# Success Transformer Corporation Berhad (636939-W)

## **Term of Reference of the Remuneration Committee**

### 1. Objective

The objective of the Remuneration Committee (“the Committee”) is to recommend to the Board of Directors (“the Board”) the remuneration policy and framework for Directors including the terms of service of Executive Directors in all forms.

### 2. Composition

The Committee shall be appointed by the Board, consisting wholly or mainly of Non-Executive Directors.

The Committee shall comprise no fewer than 3 Board members.

The members of the Committee shall elect a Chairman from among their numbers.

In the event that a member of the Committee vacates office resulting the total number to reduce to below 3, the Board shall, within 3 months of that event, appoint a new member to make up the minimum number of 3 members.

### 3. Meetings

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

At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. If the Chairman of the Committee is absent, the members present at the meeting shall elect a Chairman for the meeting. The Chairman may appoint an individual other than the Company Secretary to record the proceedings of all meetings and administration of the affairs of the Committee.

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

#### 4. Authority

The Committee is authorised to draw from outside advice as necessary in recommending to the Board the remuneration policy and framework for the Directors including the remuneration and term of service of the Executive Directors in all its forms.

The Committee may also obtain direct access to the advice and the services of the Company Secretary who is responsible for ensuring that the Board's procedures are followed.

Executive Directors should play no part in decisions on their own remuneration. Executive Directors' remuneration are linked to their performance.

The determination of remuneration packages for Directors should be the responsibility of the full Board as a whole after taking into consideration the recommendations from the Committee. The level of remuneration should reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The individuals concerned should abstain from discussion on their own remunerations.

#### 5. Duties and responsibilities

The duties and responsibilities of the Committee are as follows:

- To consider and recommend to the Board the remuneration framework for Directors.
- To provide the remuneration packages needed to attract, retain and motivate Directors of the quality required to manage the business of the group successfully.