

ASM AUTOMATION GROUP BERHAD



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[Registration No. 202401033717 (1579565-M)]

DIRECTORS' FIT AND PROPER POLICY

Adopted by Board on: 24 September 2024

1. INTRODUCTION

The Board of Directors ("**the Board**") of ASM Automation Group Berhad ("**the Company**") has adopted this Directors' Fit and Proper Policy ("**Policy**") to ensure a formal, rigorous and transparent procedure for the appointment and re-election of Directors of the Company and its subsidiaries ("**the Group**").

The objective of this Policy is to ensure that each of the Directors of the Group has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director and responsibilities to comply with Rules 2.20A and 15.01A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Policy serves as a guide to the Board and the Nomination Committee ("**NC**") of the Company in their review, assessment and evaluation of any potential candidate to be appointed as a new Director to the Board and any existing Director who is seeking for re-election.

The Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of the Group set out in Paragraph 2 are applied on a continuing basis.

2. FIT AND PROPER CRITERIA

Prior to any initial appointment of new Director, a fit and proper assessment of the potential candidate will be conducted and he must first not be disqualified from being a Director pursuant to the prevailing laws and regulations in Malaysia.

In assessing the potential candidate or Director, the NC and the Board shall conduct the assessment procedures, taking into account the following fit and proper criteria:-

A. Character and Integrity

(i) Probity

- complies with legal obligations, regulatory requirements and professional standards; and
- has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

(ii) Personal integrity

- has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct;
- service contract, whether in the capacity of management or director, had not been terminated in the past due to concerns on personal integrity; and
- has not abused other positions (i.e. political appointment) to facilitate government relations for the Company in a manner that contravenes the principles of good governance.

(iii) Financial integrity

- manages personal debts or financial affairs satisfactorily; and
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- is of good repute in the financial and business community;
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

B. Experience and Competence

(i) Qualification, training and skills

- possesses education qualification that is relevant to the skill set that the person is earmarked to bring to bear onto the boardroom (i.e. a match to the Board skill set matrix);
- has a considerable understanding on the workings of a corporation;
- possesses general management skills as well as understanding of corporate governance and sustainability issues;
- keeps knowledge current based on continuous professional development; and
- possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant experience and expertise

- possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

(iii) Relevant past experience or track record

- had a career of occupying a high level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations; and
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

C. Time and Commitment

(i) Ability to discharge role having regard to other commitments

- able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the Director across other listed issuers and non-listed entities (including not-for-profit organisations).

(ii) Participation and contribution in the Board or track record (*applicable for re-election of exiting Directors only*)

- demonstrates willingness to participate actively in Board activities;
- demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- manifests passion in the vocation of a Director;
- exhibits ability to articulate views independently, objectively and constructively; and
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3. APPROVAL

This Policy was reviewed and approved by the Board on 24 September 2024.