



ASM AUTOMATION GROUP BERHAD
[Registration No. 202401033717 (1579565-M)]

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Adopted by Board on: 24 September 2024

1. Introduction

The Remuneration Committee (“**the Committee**”) of ASM Automation Group Berhad (“**the Company**”) is responsible to review and recommend to the Board of Directors (“**the Board**”) the remuneration for the Directors and Senior Management (i.e. Heads of Divisions) of the Company and its group of companies (“**ASM Group**”) to support and drive business strategy and long term growth objectives of the Group in line with the recommendation of the Malaysian Code on Corporate Governance.

2. OBJECTIVE

The objective of the Policy is to ensure that adequate, fair and competitive compensation and benefits for Directors and Senior Management are set to enable ASM Group to attract and retain talented and well-qualified, high calibre and the right credentials as well as astute insights Directors and Senior Management with a competitive remuneration package to support and drive the business strategies, long-term objectives, values and long term interests of ASM Group.

3. REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

The remuneration structure of Executive Directors and Senior Management are outlined as below:

3.1 Fixed components

The composition of the Executive Directors and Senior Management's remuneration may consist of the fixed monthly salary which set according to:-

- (a) Job nature of the position including responsibility and complexity
- (b) Qualification, knowledge and professional skills, expertise and experience.
- (c) Other market conditions
- (d) Corporate and Individual performance

3.2 Variable components

Performance-based remuneration, short-term incentive (Eg: Bonus) and long-term incentive (Share Options), if any, are determined based on:-

- (a) Individual performance indicators
- (b) Individual overall contribution to the business of the Company
- (c) Individual overall contribution to the growth of the Company

3.3 Benefits Components

Common and basic benefits such as annual leave, medical leave, maternity or paternity leave, gazetted public holidays, Employee Provident Fund (EPF) and Social Security Organisation Contribution (SOCSO).

In addition to the common and basic benefits, Benefits-In-Kind (BIK) such as company car, petrol card and medical fee may be provided to increase the economic security of Executive Directors and Senior Management as an incentive, which should be sufficient to attract and retain capable Executive Directors and Senior Management.

3.4 Remuneration Procedures

The performance of Executive Directors and Senior Management is measured based on the achievements of their annual Key Performance Indicators (“**KPIs**”). The rewards

accorded to Executive Directors and Senior Management for their achievement of the respective KPIs shall comprise annual bonus and increment to their base salaries.

The evaluation on the achievement of each of the KPIs by Senior Management against an agreed performance standard is conducted annually by the Managing Director. Thereafter, the Managing Director recommends the remuneration levels for the Senior Management to the Committee for review. Whilst for Executive Directors (including Managing Director), it is evaluated and reviewed annually by the Committee.

3.5 Abstain From Voting

On annual basis, the Committee shall review and recommend the remuneration of the Directors and Senior Management of ASM Group to the Board of approval.

The Directors shall abstain from the deliberations and voting in respect of their own remuneration.

The fees and benefits payable to the Directors of the Company shall be subject to the annual shareholders' approval at annual general meeting of the Company. Directors who are also shareholders of the Company should abstain from voting at general meetings to approve their own remuneration.

4. REMUNERATION STRUCTURE FOR NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors should reflect the scope of duties and responsibilities, qualifications, skills, expertise and experience, as well as the complexity of the Company's activities. The remuneration of Non-Executive Directors shall consist of fixed Directors' fee and meeting allowances for every Board and/or Board Committees' meeting attended.

Their remuneration shall be reviewed every three (3) years interval with reference to companies in similar industries or scale by the Board and the Committee. The fees and benefits payable to the Non-Executive Directors are subjected to the shareholders' approval at the annual general meeting of the Company. The Non-Executive Directors shall abstain from voting on their own remuneration.

5. BENCHMARKING

Periodic or appropriate benchmarking exercises shall be conducted by the Company to assess the competitiveness of the Company's total remuneration packages for Directors and Senior Management with relevant market and industry.

The Company shall refer to the disclosures in annual reports of companies in similar industries or scale, as one of the sources to obtain benchmarking information.

6. REVIEW OF THE REMUNERATION POLICY

The Committee shall periodically review and update this Remuneration Policy for Directors and Senior Management to ensure its relevance, effectiveness and alignment with the Group's objectives, practices and current laws and regulations. Any proposed amendments to this Remuneration Policy will be recommended to the Board for approval.

This Remuneration Policy for Directors and Senior Management is made available on the Company's website.