



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

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Adopted by Board on: 24 September 2024

1. OBJECTIVES

The primary function of the Nomination Committee ("**the Committee**") of ASM Automation Group Berhad ("**the Company**") is to assist the Board of Directors ("**the Board**") in reviewing the structure, size and composition of the Board and senior management of the Company and its subsidiaries ("**the Group**") based on the following principles:

- (a) To ensure that the Board has an effective composition, size and level of commitment to adequately discharge its responsibilities and duties in achieving the Company's goals and objectives;
- (b) To ensure that appropriate succession planning and talent management for the Board and senior management are in place;
- (c) To ensure the appointment of Board members and senior management are based on objective criteria such as diversity in skills, experience, expertise, professionalism, integrity, age, gender and background;
- (d) To ensure the composition of the Board is refreshed periodically; and
- (e) To assess and evaluate the performance of the Board, Board Committees and the individual Directors of the Company on an on-going basis.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The Board shall elect the members of the Committee amongst themselves and the Committee shall consist of at least three (3) members, comprising exclusively of Non-Executive Directors and majority of the members shall be Independent Non-Executive Directors.
- 2.2 The chairman of the Board shall not be appointed as a member of the Committee.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 The appointment of a member of the Committee shall automatically be terminated if the member ceases to be a Director of the Company for any reason whatsoever or as determined by the Board. Member of the Committee may relinquish their membership with prior written notice to the Board.
- 2.5 In the event of any vacancy in the Committee resulting in the total number of members falling below three (3), the vacancy shall be filled as soon as possible, but shall not be later than three (3) months of that event.

3. CHAIRPERSON

- 3.1 The Chairperson of the Committee ("**Chairperson**") shall be an Independent Non-Executive Director.
- 3.2 In the absent of the Chairperson or if he/she is not present at any Committee meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the Committee present shall elect a Chairperson for the Committee meeting amongst themselves who must be an Independent Non-Executive Director to chair the meeting.

4. SECRETARY

- 4.1 The Company Secretary of the Company shall be the Secretary of the Committee.
- 4.2 The Secretary, in consultation with the Chairperson, shall draw up the agenda of the meeting. The agenda, together with the relevant meeting materials, shall be circulated at least five (5) business days or shorter notice where it is unavoidable, prior each meeting to the members of the Committee.

5. QUORUM AND MEETING PROCEDURES

- 5.1 The Committee shall meet at least once a year, or more frequently as circumstances require. The Chairperson may call for additional meetings at any time at the discretion of the Chairperson.
- 5.2 Reasonable notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, except in the case of emergency, where the Committee may waive such requirement.
- 5.3 The quorum for the meeting shall be two (2) members. No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 5.4 If any member is unable to be physically present, Member may participate in a meeting of the Committee by means of a telephone conference, video conference or any other electronic telecommunication device which allows all persons participating in the meeting to communicate with each other. Any member so participating in a meeting shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 5.5 The main venue of the meeting shall be the place where the Chairperson of the meeting is present. A Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all Committee members as a whole to participate for the entire duration of the virtual meeting, provided the following conditions are met:
 - (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.
- 5.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson has the casting vote. However, the Chairperson shall not have a casting vote when only (2) members of the Committee form a quorum or when only two (2) members are competent to vote on the question at issue.

- 5.7 The Committee may, as and when deemed necessary, invite any Board member(s) or any key senior management of the Company, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 5.8 Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, must declare his/her interest in the matters and abstain from deliberating and voting on the said matter.

6. MINUTES

- 6.1 Minutes of each meeting shall be signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next succeeding meeting.
- 6.2 The duly signed minutes shall be kept at the Company's registered office and made available for inspection by any Committee member(s) or Board member(s) upon request.
- 6.3 The minutes of each Committee meeting shall be circulated promptly to all members of the Committee for approval and table the same to the Board for notation.

7. CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Nomination Committee Members' Written Resolution(s)" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

8. TERM OF OFFICE

The term of office of the Committee shall be reviewed annually, in which the Committee shall review its performance for the purpose, among other things, of assessing whether the Committee fulfilled the responsibilities and duties stated in this Terms of Reference.

9. REPORTING

The Committee, through its Chairperson, shall report a summary of proceedings of each meeting and significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

10. AUTHORITY

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

- (a) have full and unrestricted access to all information and documents within the Group to perform its duties;
- (b) have the resources which are required to perform its duties;

- (c) be able to obtain external professional expertise or other advice and invite persons with relevant experience to attend its meetings, when required; and
- (d) have access to advice and services of the Company Secretary.

11. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

11.1 To review and recommend to the Board for approval, the appropriate composition, size, required mix of skills and experience, and diversity (including gender diversity) of the Board and Board Committees to facilitate effective decision-making after taking into consideration the scope and nature of the operations of the Group.

11.2 Nominating Activities

- (a) To identify, consider, select and recommend to the Board suitable candidates for appointment of Directors. The Committee does not solely rely on recommendations from existing Board Members, management or major shareholders, but will also utilise independent sources to identify suitable qualified candidates. In making the recommendations, the Committee shall consider the following:-
 - (i) the current composition of the Board and the tenure of each Director;
 - (ii) the required mix of diversity in skills, experience, age, race, cultural background and gender of the Board;
 - (iii) the character, experience, integrity, competence, time commitment of such candidate to serve the Board effectively, taking into consideration the number of board positions held on other board of listed and non-listed companies, and such other fit and proper criteria as set out in the Directors' Fit and Proper Policy;
 - (iv) whether there is any existing or potential conflict of interest that could affect the execution of his/her role as a Director;
 - (v) in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities and functions as are expected from Independent Non-Executive Directors; and
 - (vi) in the case of candidates filling seats in respect of the Audit and Risk Management Committee ("**ARMC**"), in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.
- (b) No person shall be appointed, re-appointed, elected or re-elected as a Director of the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.
- (c) Any recommendations for candidates shall be submitted in writing to the Company Secretary of the Company, providing the recommended candidate's name, contact, biographical data and qualifications.
- (d) To facilitate Board induction programme for newly appointed Directors.

11.3 Evaluation

- (a) To establish and recommend for Board's approval a mechanism for formal assessment of the performance of the Board and key senior management.
- (b) To assess and review on an annual basis the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director and Managing Director including his/her character, competence, experience, gender diversity and commitment.
- (c) To evaluate and review the performance of the Board and senior management including the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.

11.4 Board Committees

- (a) To periodically review the composition of each Board Committee and make recommendations to the Board for the creation of additional Board Committees or the change in mandate or dissolution of Board Committees.
- (b) To review annually the term of office, effectiveness and performance of the ARMC and each of its members to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.
- (c) To assess and recommend to the Board for approval, new and re-appointment of nominees (where applicable) for directorship, chairmanship and/or membership to the respective Board Committee.

11.5 Re-election of Directors

- (a) To review the tenure of each Director and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board and meet the criteria as set out in the Directors' Fit and Proper Policy.
- (b) To recommend to the Board the re-election of Directors who retired by rotation pursuant to the Company's Constitution.

11.6 Independence of Independent Non-Executive Directors

- (a) To review and assess the independence of Independent Non-Executive Directors on an annual basis and that the Directors meet the identified independence criteria and are not disqualified under the relevant regulations.
- (b) The tenure of an Independent Director should not exceed a 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, the Committee shall recommend the justification to retain the said Independent Non-Executive Director to the Board, and the Board should provide the justification and seek annual shareholders' approval through a two-tier voting process.
- (c) The tenure of office of an Independent Non-Executive Director must not be more than a cumulative period of twelve (12) years from the date of his/her first appointment as an Independent Non-Executive Director.

- 11.7 To establish gender diversity policy for the Board and senior management and to ensure that the Company takes concrete action to achieve the numerical targets as stated in the policy.

- 11.8 To recommend to the Board any appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of the Group.
- 11.9 To identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.
- 11.10 To review periodically the job descriptions of Executive Directors and senior management.
- 11.11 To review the succession plans of the Board and senior management and overseeing the development of a diverse talent pipeline for the succession of the Board and management, including the future Board Chairman, Executive Director and/or Managing Director.
- 11.12 To carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.

12. REVIEW OF THE TERMS OF REFERENCE

The Committee shall periodically review and update this Terms of Reference to ensure its relevance, effectiveness and alignment with the Group's objectives, practices and current laws and regulations. Any amendments to this Terms of Reference will be recommended to the Board for approval.

This Term of Reference is made available on the Company's website.

13. APPROVAL

This Terms of Reference was reviewed and approved by the Board on 24 September 2024.