



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

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

*Adopted by Board on: 24 September 2024*

## **1. OBJECTIVES**

The principal objectives of the Remuneration Committee ("**the Committee**") of ASM Automation Group Berhad ("**the Company**") are to assist the Board of Directors ("**the Board**") in developing and establishing competitive remuneration policy and packages for the Board and key senior management of the Company and its subsidiaries ("**the Group**") through a transparent and independent process and ensure that the compensation is consistent with the Company's culture, objectives and strategy.

## **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 a majority of whom must be independent.
- 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 event that the Chairperson is not present within 15 minutes of the time appointed for holding the Committee meeting or is unable/unwilling to chair the meeting, 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**

The Company Secretary of the Company shall be the Secretary of the Committee.

## **5. QUORUM AND MEETING PROCEDURES**

- 5.1 **Frequency of Meetings** – The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings at least once a year or more frequently as deemed necessary to fulfil its responsibilities at the discretion of the Chairperson.
- 5.2 **Quorum** – The presence of two (2) members of the Committee constitutes a quorum for a meeting of the Committee. 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.

- 5.3 **Manner of Participation at Meetings** – 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.
- 5.4 **Meeting Venue** – 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.
- 5.5 **Notice of Meetings** – The notice of the Committee meeting, together with the meeting materials, shall be circulated at least five (5) business days or such shorter notice as agreed by the Committee, prior each meeting to the members of the Committee.
- 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.
- 5.6 **Supplemental Attendees** – The Committee may, as and when deemed necessary, invite any Board members or any person who may possess information that would be useful to the Committee in carrying out its duties to attend the meetings of the Committee.
- 5.7 **Voting** – A matter put to vote at a meeting of the Committee shall be decided by a simple majority of the votes cast. 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.
- 5.8 **Declaration of Interest** – 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.
- 5.9 **Reporting** – The Committee, through its Chairperson, will report to the Board of its proceedings after each meeting of the Committee at the next Board meeting or as may otherwise be required by the Board. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within this Terms of Reference and/or where action or improvement is required.

## **6. MINUTES**

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

## **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 "Remuneration 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 Nomination 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. 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.

## **10. DUTIES AND RESPONSIBILITIES**

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

- To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of Executive Directors and key senior management.
- To implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Directors and key senior management.

- To review and recommend a remuneration framework for Executive Directors and key senior management, which covers all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefits-in-kind, for the Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain capable Executive Directors and key senior management.

In determining the remuneration package, the Committee shall take into consideration the following, and made recommendation to the Board for approval:

- (i) roles and level of responsibilities;
  - (ii) merit, qualification, professionalism, technical competency, skills, expertise, experience and time commitment;
  - (iii) complexity of the Group's business;
  - (iv) business and risks strategies, and long-term objectives of the Group; and
  - (v) comparable market statistics to ensure the fairness of the remuneration package to attract, retain and motivate quality talent.
- To review the remuneration packages for Executive Directors and key senior management and recommend to the Board for approval. The remuneration packages should be structured such that it is competitive and commensurate with skills and responsibilities expected. Salary scales drawn up should be within the scope of the general business policy and and not be dependent on short-term performance to avoid incentives for excessive risk-taking.
  - To review the fees of the Non-Executive Directors and any benefits payable to them including any compensation for loss of employment of current or former Directors, and recommend to the Board for seeking shareholders' approval at general meetings. The fees payable should be linked to their experience and level of responsibilities undertaken and contribution to the effective functioning of the Board.
  - To establish frequent communication with other Board Committees, namely Nomination Committee, to align remuneration policies and procedures to succession plans and talent management of executives, and Audit and Risk Management Committee, to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures.
  - To review and recommend any performance related pay schemes for the Company and the Group to the Board for consideration and approval.
  - To review major changes in employee remuneration and benefits structure throughout the Group.
  - To engage external experts or consultants to assist and/or advise the Committee on all remuneration matters, where necessary to fulfil its responsibilities.
  - 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.

## **11. 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 proposed 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.

## **12. APPROVAL**

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