



**AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

**AUTOMATED SYSTEMS HOLDINGS LIMITED**

**TERMS OF REFERENCE**

**FOR THE REMUNERATION COMMITTEE**

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***Membership***

1. The Remuneration Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) from amongst the Non-Executive Directors of the Company and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors. A quorum shall be two members.
2. The Chairman of the Committee (the “Committee Chairman”) shall be appointed by the Board and should be an Independent Non-Executive Director.

***Attendance at meeting***

3. Only members of the Committee have the right to attend meetings. However, other individuals such as the Chief Executive, Finance Director, the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

***Frequency of meetings***

4. Meetings shall be held not less than once a year and at such other times as the Committee Chairman shall require.

***Authority***

5. The Committee is authorised by the Board to consult the Chairman of the Board and/or Chief Executive of the Company about their remuneration proposals for other Executive Directors. The Committee should have access to independent professional advice if necessary.

6. In connection with its duties, the Committee is authorised by the Board to seek any information it requires from any employees of the Company and to obtain at the Company's expenses, any outside legal or other professional advice.

*Duties*

7. The duties of the Committee shall be:
  - (a) to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (d) to make recommendations to the Board on the remuneration of Non-Executive Directors;
  - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries (the "Group");
  - (f) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  - (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
  - (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration and that, as regards the remuneration of a Non-Executive Director who is a member of the Committee, his remuneration should be determined by the other members of the Committee;

- (i) Subject to Independent Non-Executive Directors' approval for grant of share options to connected persons, to review the design of all employee share option schemes and determine all matters regarding the schemes, including in particular:
  - (i) To formulate and recommend to the Board the framework or broad policy for the share option scheme of the Group;
  - (ii) To take into account all factors which it deems necessary in formulating its policy to ensure that employees of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the development of the Group;
  - (iii) To consider and resolve upon all grants of options under the Group's share option schemes;
  - (iv) To consider any disputes or questions relating to an option or the exercise thereof;
  - (v) To make such alterations or additions to share option scheme rules as do not require shareholders' approval as the Committee considers necessary or desirable subject to the limitations set out in such rules;
  - (vi) To keep under review the Group's share option scheme in light of regulatory and market developments and the overall remuneration policy of the Group;
- (j) to review and note annually the remuneration trends across the Group;
- (k) to oversee any major changes in employee benefits structure throughout the Group; and
- (l) to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have the full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations.

***Reporting procedures***

- 8. The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
10. The minutes of meetings of the Committee shall be circulated to all members of the Board.

End

*(effective on 1st April 2012)*