

AUTOMATED

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

TERMS OF REFERENCE
FOR THE NOMINATION COMMITTEE

Membership

1. The Nomination Committee (the “Committee”) shall comprise not less than three members to be appointed by the Board of Directors (the “Board”), the majority of whom should be Independent Non-Executive Directors. A quorum shall be two members.
2. The Chairman of the Committee shall be appointed by the Board, who should either be the Chairman of the Board (the Board Chairman”) or an Independent Non-Executive Director. For the avoidance of doubt, the Board Chairman shall not chair the meeting of the Committee when it is dealing with the succession of chairmanship.

Attendance at meeting

3. Only members of the Committee have the right to attend the Committee meetings. However, any Director, executive or other person may be invited to attend the meetings when the Committee considers that their attendance can assist it to discharge its duties.

Frequency of Meetings

4. The Committee shall meet at least once a year and at such other times as the Committee Chairman shall require.
5. The company secretary of the Board shall act as the secretary of the Committee.

Authority

6. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
7. The Committee may obtain, at the expense of the Company, legal or other professional advice on any matters within its terms of reference.

Duties

8. The duties of the Committee shall be:
- (a) to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, independence and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - (c) to assess the independence of Independent Non-Executive Directors;
 - (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;
 - (e) to make recommendations to the Board on the membership of Board Committees e.g. Audit Committee and Remuneration Committee, in consultation with the Board Chairman and the chairmen of such committees, as appropriate;
 - (f) before recommending an appointment, to evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
 - (i) use such method or methods to facilitate the search as it may deem appropriate;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that candidates have enough time available to devote to the position;
 - (g) to make recommendations to the Board on any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the law and their service contracts;

- (h) to keep under review the leadership needs of the Company, both Executive and Non-Executive Directors, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (i) to keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (j) to review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties;
- (k) to ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings, where appropriate; and
- (l) to review the policy on board diversity, as appropriate, and make recommendations to the Board on any proposed change to the policy and to exercise such other powers and authorities, and to perform such other duties, as set out in the policy or delegated by the Board from time to time.

Nomination Policy

9. The provisions set out in the above paragraphs 8(a), 8(b), 8(d), 8(f) and 8(k) are regarded as the key nomination criteria and principles of the Company for the nomination of Directors, and these provisions constitute the “Nomination Policy” of the Company.

Reporting procedures

10. The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
11. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
12. The minutes of meetings of the Committee shall be circulated to all members of the Board.

End

(effective on 31st December 2018)