

# **AUTOMATED**

## **AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

### **PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF THE COMPANY**

Set out below are (i) procedures on how shareholders of the Company can convene a special general meeting (“**SGM**”); (ii) procedures for putting forward proposal at a shareholder’s meeting by a shareholder of the Company; and (iii) procedures for shareholders to propose a person for election as a director of the Company.

#### **A. PROCEDURES ON HOW SHAREHOLDERS CAN CONVENE A SPECIAL GENERAL MEETING (“SGM”)**

##### **1. PROVISIONS IN THE COMPANIES ACT 1981 OF BERMUDA (AS AMENDED) (THE “BERMUDA COMPANIES ACT”) AND THE COMPANY’S BYE-LAWS (“BYE-LAWS”)**

- 1.1 Bye-law 62 of the Bye-Laws sets out the position under the Bye-Laws where a requisition is made by shareholders of the Company (collectively, the “**Shareholders**”, and each a “**Shareholder**”). Bye-law 62 provides that a SGM shall be convened on requisition, as provided by the Bermuda Companies Act, and, in default, may be convened by the requisitionists.
- 1.2 Pursuant to Section 74 of the Bermuda Companies Act, a Shareholder or Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may requisition the directors of the Company (collectively, the “**Directors**”, and each a “**Director**”) to forthwith proceed duly to convene a SGM by depositing a written requisition at the registered office of the Company.
- 1.3 The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists, deposited at the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and may consist of several documents in like form each signed by one or more requisitionists.
- 1.4 If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.
- 1.5 A meeting so convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

**B. PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS BY A SHAREHOLDER**

**1. PROVISIONS IN THE BERMUDA COMPANIES ACT**

1.1 Sections 79 and 80 of the Bermuda Companies Act allow certain Shareholder(s) to requisition the Company to move a resolution at an annual general meeting (“AGM”) of the Company or circulate a statement at any general meeting of the Company. Under Section 79 of the Bermuda Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of Shareholders as set out in paragraph 1.2 of section B below:-

- (a) to give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

1.2 The number of Shareholders necessary to make the above-mentioned requisitions to the Company shall be:-

- (i) either any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (ii) not less than one hundred Shareholders.

1.3 Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meeting of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

1.4 Section 80 of the Bermuda Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to Section 80 of the Bermuda Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in paragraph 1.1 of section B above unless:-

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the Company:-
  - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

- (ii) in the case of any other requisition, not less than one week before the meeting; and
- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect to the procedures in paragraph 1.1 of section B above (i.e. the giving of notice of resolution and/or circulation of statement).

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

**C. PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF THE COMPANY**

**1. PROVISIONS IN THE BERMUDA COMPANIES ACT AND THE BYE-LAWS**

1.1 The provisions relating to election of directors by shareholders of the Company are laid down in Section 91(1) of the Bermuda Companies Act.

1.2 Extract of Section 91(1) is set out below:

“The affairs of the company shall be managed by at least one director who shall be a person elected in the first place at the statutory meeting and thereafter elected or appointed by the members at each annual general meeting of the company or in such other manner and for such term as may be provided in the bye-laws.”

1.3 Bye-law 102(A) of the Bye-Laws allows Shareholders to, by ordinary resolution in general meeting, elect any person to be a Director either to fill a casual vacancy or as an addition Director to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. In case the aforesaid Director retires at an AGM, he or she shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such AGM pursuant to the Bye-Laws.

1.4 Bye-law 103 of the Company's Bye-Laws provides for the manner of the directors of the Company to be elected or appointed by shareholders of the Company.

1.5 Extract of Bye-law 103 is set out below:

“No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office in the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting, provided that such period shall be at least 7 days.”

1.6 Alternatively, if no general meeting has already been convened, a Shareholder may propose a person for election as a Director by requisitioning the Company to convene a SGM, provided that he or she is holding at the date of the deposit of the requisition not

less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Please refer to the procedures set out in paragraphs 1.2 to 1.5 of section A above for procedures of how to convene a SGM by way of requisition. The requirements under Bye-law 103 will also have to be satisfied.

## **2. REQUIREMENTS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “LISTING RULES”)**

2.1 Pursuant to Rules 13.70 and 13.74 of the Listing Rules, the Company shall:

- publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the Company after publication of the notice of general meeting;
- include in the announcement or supplementary circular the particulars required under Rule 13.51(2) of such person proposed to be elected as a director;
- publish such announcement or supplementary circular not less than 10 business days before the date of the relevant general meeting; and
- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

## **3. PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR**

3.1 If a shareholder wishes to propose a person (the “**Candidate**”) for election as a director of the Company at a general meeting, he/she shall lodge a written notice (the “**Notice**”) at the Company’s head office at 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong or the Company’s registrars, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

3.2 The Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information.

3.3 The period for lodgment of the Notice shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting provided that such period shall be at least 7 days.

3.4 In order to allow the Company’s shareholders to have sufficient time to receive and consider the proposal of election of the Candidate as a director of the Company, shareholders are urged to submit and lodge the Notice as early as practicable.

*Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.*