

*(revised and effective on 28 November 2022)*



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

### **1. MEMBERSHIP**

- 1.1 The Remuneration Committee (the “**Committee**”) is established by the Board of Directors (the “**Board**”) of CST Group Limited (the “**Company**”).
- 1.2 The Company and its subsidiaries are together referred to as the “**Group**” in this Terms of Reference.
- 1.3 The Committee shall have a minimum of two members (the “**Members**”).
- 1.4 The majority of the Committee Members must be independent non-executive directors of the Company.
- 1.5 The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.

### **2. MEETING**

- 2.1 The Committee shall meet at least once a year and otherwise as required.
- 2.2 The quorum for a meeting shall be two Members.
- 2.3 The Member nominated by the Board or the Company Secretary of the Company shall be the secretary of the Committee (the “**Secretary**”).

### **3. AUTHORITY**

- 3.1 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.
- 3.2 The Committee is authorised to obtain, at the Company’s expense, outside legal or other professional advice on any matter within its Terms of Reference.

### **4. DUTIES**

The duties of the Committee shall be:-

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- (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 make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include 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 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
- (i) review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **5. MINUTES OF MEETINGS**

- 5.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance;
- 5.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly; and
- 5.3 The Secretary shall circulate the minutes of Committee meetings to all Members of the Committee within a reasonable time after each meeting and, once agreed, to all Members of the Board to enable the Board to be informed of the progress of the work performed by the Committee and their findings during the period under review.