

# **S&T Holdings Limited**

*(incorporated under the laws of Cayman Islands with limited liability)*

**(Stock Code: 3928)**

(the “**Company**”)

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE** (the “**Committee**”)

### **Constitution**

1. The Committee is established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) at its meeting held on 23 August 2019. The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from time to time.

### **Membership**

2. The Committee shall consist of not less than three members appointed by the Board, with the majority of the members being independent non-executive directors of the Company.
3. The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.
4. The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and potential conflicts of interest arising from cross-directorships.
5. The appointment of the members of the Committee may be revoked and new members can be appointed in their stead, by resolutions passed by the Board.
6. No alternate member of any member of the Committee can be appointed.
7. The Company Secretary of the Company shall be the secretary of the Committee.

### **Notice of meetings**

8. Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least 14 days’ notice.
9. A Committee member or the secretary of the Committee at the request of any Committee members may at any time summon a Committee meeting.

(Updated in December 2019)

10. Notice of meeting shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the company secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
11. Any notice given orally shall be followed by confirmation in writing before the meeting.
12. Notice of meeting shall state the purpose, time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting. These should be sent to all Committee members in a timely manner and at least three days before the intended date of the meeting (or other agreed period).

### **Frequency and proceedings of meetings**

13. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.
14. The Chairman of the Committee may convene additional meetings at his discretion.
15. The quorum of a meeting shall be any two members of the Committee.
16. A member of the Committee shall abstain from voting and shall not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to him.
17. Proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company (as amended from time to time) (the “**Articles**”), unless otherwise agreed by the Committee.

### **Responsibility**

18. The Committee is to review and formulate policies in respect of remuneration structure for all directors of the Company (the “**Directors**”) and senior management of the Company (the “**Senior Management**”) and make recommendations to the Board for its consideration. For the purpose of these terms of reference, Senior Management refers to the same category of persons as referred to in the Company’s annual report and required to be disclosed under the Listing Rules.

## **Duties, powers and functions**

19. The Committee is to:

- (a) 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) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) determine, with the delegated responsibility, the remuneration packages of individual executive Directors and Senior Management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) make recommendations to the Board on remuneration of non-executive Directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (f) ensure that a significant portion of executive Directors' remuneration should link rewards to corporate and individual performance;
- (g) 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;
- (h) 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;
- (i) ensure that no Director or any of his associates (as defined in the Listing Rules) 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/her remuneration should be determined by the other members of the Committee;
- (j) form a view in respect of service contracts that require shareholders' approval, including any service contract to be granted by the Company or any of its subsidiaries to any Director or proposed Director of the Company or to any Director or proposed Director of any of its subsidiaries which:
  - (1) is for a duration that may exceed three years; or

- (2) requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments

and advise shareholders (other than shareholders who are directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interest of the issuer and its shareholders as a whole and advise shareholders on how to vote;

- (k) review any proposed service contract with any Director or Senior Management before such contract is entered into;
- (l) consider the granting of share options to Directors pursuant to any share option scheme adopted by the Company;
- (m) ensure due compliance with any relevant disclosure requirements in respect of the remuneration of Directors under the Listing Rules, the Companies Law of the Cayman Islands and any other statutory requirements;
- (n) review and make recommendations to the Board regarding the pension arrangements for Directors and Senior Management;
- (o) review and report to the Board on any suspected irregularities in the reimbursement of unreasonable out-of-pocket expenses of Directors and Senior Management;
- (p) review and approve the interim report, annual report, announcement and circular or any publication of the Company regarding remuneration and service contracts of the Directors prior to approval by the Board; and
- (q) consider other matters, as defined or assigned by the Board from time to time.

20. The Company should provide the Committee sufficient resources to perform its duties.

21. The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

### **Reporting Procedures**

22. Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee, who shall prepare and send draft and final versions of minutes of meetings and all written resolutions of the Committee to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting.

23. The Committee should report to the Board on a regular basis on its decisions or recommendations.
24. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the findings and recommendations of the Committee. At least once annually, the Committee should present a report in writing to the Board which addresses the work and findings of the Committee during the year.

#### **Amendments to the Terms of Reference**

25. The Board may, subject to compliance with the Articles and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

#### **Publication of the terms of reference of the Committee**

26. The terms of reference of the Committee will be posted on the websites of the Company and the Stock Exchange, and will be made available upon request.

#### **Others**

27. The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Committee's activities and their responsibilities.
28. The Committee shall be responsible for approving all disclosure statements in relation to the Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the websites of the Company and the Stock Exchange.