



COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京 信 通 信 系 統 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Hong Kong Stock Code: 2342)

(Singapore Stock Code: STC)

(the “Company”)

Remuneration Committee Terms of Reference

Constitution

1. The Company established a remuneration committee (the “**Committee**”) on 13 April 2005 and adopted the terms of reference as set out herein in compliance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

Membership

2. The members of the Committee shall be appointed by the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company which is chaired by an independent non-executive Director and comprising a majority of independent non-executive Directors.
3. The quorum of a Committee meeting shall be two members.

Secretary

4. The Committee may from time to time appoint any person with appropriate qualification and experience as the secretary of the Committee.

Meetings

5. The Committee shall meet at least once a year. A meeting shall be held in person, by telephone or other electronic means provided that all persons participating in the meeting are capable of hearing each other. Additional meetings shall also be held as the work of the Committee demands.
6. Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members of the Committee present.

7. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
8. Minutes shall be prepared and kept by the secretary of the Committee.

Authority

9. 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.
10. The Committee shall report to the Board on a regular basis as the Board may direct.
11. The Committee shall be provided with sufficient resources to perform its duties.

Duties

12. 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 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 their associates is involved in deciding that Director's own remuneration. The Committee shall advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the rule 13.68 of the Hong Kong Listing Rules;
- (i) to review and / or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;
- (j) do any such things or acts to enable the Committee to discharge its duties and functions conferred on it by the Board; and
- (k) to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the articles of association of the Company or imposed by relevant applicable legislation and regulations.

This terms of reference is in English and Chinese. In case of any inconsistency, the English version shall prevail.