



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)

(Stock Code: 2342)

(the "Company")

Remuneration Committee Terms of Reference

Constitution

1. The Company has established its remuneration committee (the "Committee") since 13 April 2005. The primary duties of the Committee are to advise the board of directors of the Company (the "Board") on the remuneration policy for all directors and senior management and to determine, review and monitor the remuneration packages and any compensation arrangements made to the directors and senior management and review the terms of service contracts of directors.

Membership

2. The members of the Committee shall be appointed by the Board which is chaired by an independent non-executive director and comprising a majority of independent non-executive directors.
3. A quorum of the Committee meetings shall be two.

Frequency of meetings

4. The Committee shall meet at least once a year. A meeting may be conducted by means of a conference 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.

Authority

5. 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.
6. The Committee shall report to the Board on a regular basis as the Board may direct.
7. The Committee shall be provided with sufficient resources to perform its duties.

Duties

8. 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 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; and
 - (i) to ensure that no director or any of his associates is involved in deciding his 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 Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Any relevant code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules, as amended from time to time, will be deemed as the same amendments in this terms of reference of the Committee with immediate effect.