



SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2878)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Membership

1. The Remuneration Committee shall consist of at least three members, and a majority of whom shall be Independent Non-Executive Directors appointed by the Company's board of directors (the "Board") from time to time.
2. The Board shall nominate one of the members as the Chairman of the Remuneration Committee who has to be an Independent Non-Executive Directors.
3. The Company Secretary or the Head of Human Resources Department or a nominee shall act as the Secretary of the Remuneration Committee.

Frequency and Proceedings of Meetings

4. The Remuneration Committee shall meet at least annually. Additional meetings shall be held as the work of the Remuneration Committee demands.
5. The Chairman of the Remuneration Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be two members of the Remuneration Committee.

7. The Remuneration Committee may, from time to time, invite advisors to the meetings, including but not limited to external advisors or consultants to advise its members.
8. Proceedings of meetings of the Remuneration Committee shall be governed by the provisions of Article 126 of the Articles of Association of the Company.

Duties, Powers and Functions

9. The Remuneration Committee shall –
 - (a) approve remuneration policy which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, responsibilities, and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and monitor the implementation of the set remuneration policy;
 - (b) without prejudice to the generality of the foregoing:
 - (i) establish guidelines for the recruitment of the Chief Executive and senior management;
 - (ii) approve the policy and structure for the remuneration of Directors (including Non-executive Directors) whilst ensuring no director or any of his associates is involved in deciding his own remuneration;
 - (iii) determine the remuneration of Executive Directors including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc). The Chairman and/or the Chief Executive shall be consulted respectively about their proposals relating to the remuneration of the Chief Executive and/or senior management, as the case may be;

- (iv) review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive directors and senior management which shall be fair and not excessive;
- (v) review the criteria for assessing performance of the Executive Directors and/or senior management, which should reflect the Company's business objectives and targets;
- (vi) determine the annual performance bonus for Executive Directors and review the annual performance bonus for senior management having regard to Executive Directors and senior management achievements against the performance criteria and by reference to market norms;
- (vii) engage such external professional advisors to assist and/or advise the Remuneration Committee on issues as it considers necessary;
- (viii) do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board; and
- (ix) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

Reporting Procedures

10. The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Remuneration Committee, the chairman of the Remuneration Committee shall report the findings and recommendations of the Remuneration Committee to the Board.

Note:

Senior management shall include the Vice Presidents and/or function heads disclosed from time to time in the annual report.

April 2012