



**SOLOMON
SYSTECH**

SOLOMON SYSTECH (INTERNATIONAL) LIMITED

晶門半導體有限公司

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2878)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (adopted on 12 January 2023)

Membership

1. The Remuneration Committee shall consist of at least three members, and a majority of whom shall be Independent Non-Executive Directors of the Company.
2. The Board shall nominate one of the members as the Chairman of the Remuneration Committee who has to be an Independent Non-Executive Director.
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) make recommendations to the Board of Directors (the “Board”) of the Company on the Company’s policy and structure for the remuneration of Directors (including Non-executive Directors) and senior management’s remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, whilst ensuring no director or any of his associates is involved in deciding his own remuneration;
 - (ii) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - (iii) determine the remuneration of Executive Directors and senior management, 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) make recommendations to the Board on the remuneration of Non-executive Directors;
 - (v) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (vi) review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct of executive directors and senior management to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - (vii) review the criteria for assessing performance of the Executive Directors and/or senior management, which should reflect the Company’s business objectives and targets;

- (viii) 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's achievements against the performance criteria and by reference to market norms;
- (ix) review and/or make recommendation to the Board on the matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
- (x) engage such external professional advisors to assist and/or advise the Remuneration Committee on issues as it considers necessary;
- (xi) do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board; and
- (xii) 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.

January 2023