

TONGXIN INTERNATIONAL LTD.
CHARTER OF
THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
Committee Chairman – Ai Xing

I. Overview

The Compensation Committee's (the "Committee") role is to discharge Tongxin International's ("the Company") Board of Directors ("Board") responsibilities relating to the compensation of the Company's executive officers and the board directors, to fulfill the responsibilities set forth in this Charter, and to advise the Board on the adoption of the policies that govern the Company's compensation programs.

II. Membership

The membership of the Committee consists of at least three directors, each of whom shall (a) meet the independence requirements established by the Board and applicable laws, regulations and listing requirements, (b) be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (c) be an "outside director" within the meaning of NASDAQ Rule 4200. The Board appoints the members of the Committee and the chairperson annually. The Board may remove any member from the Committee at any time based on a Board resolution.

III. Operations and Meetings

The Committee shall meet at least four times a year. Additional meetings may occur as the Committee or its chair deems advisable. The Committee will meet periodically in executive session without Company management present.

The Committee Chair will, in consultation with the other members of the Committee and appropriate executive management, establish the agenda for each Committee meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee. Any individual whose performance or compensation will be discussed at a Committee meeting shall not attend such meetings unless specifically invitation by the Committee.

The Committee will keep minutes of its proceedings, and will report its actions and activities to the Board. The Committee members will be furnished with copies of the minutes of each committee meeting and its decision will be made by an unanimous consent from the committee members. The Committee will follow the company meeting procedures using telephone conference, face-to-face meeting, and other necessary communication tools. The procedure includes, action without meetings, notice, waiver of notice, and quorum and voting requirements etc.

The Committee is authorized to adopt its own rules of procedure as long as they are consistent with

- any provision of the Company Charter
- any provision of the Company Bylaws
- NASDAQ Rule 4200
- the laws of the British Virgin Islands

IV. Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. Any communications between the Committee members and the company legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company. The Committee will take all necessary steps to preserve the privileged nature of these communications.

Except as otherwise delegated by the Board, the Committee will act on behalf of the Board.

V. Responsibilities

Subject to the provisions of the Company's Corporate Governance Guidelines and the provision of overall corporate goals and objectives as set-forth by the Board, the principal responsibilities of the Committee are as follows:

1. Review the structure and competitiveness of the Company's executive officer compensation programs; The following elements should be considered: (a) attraction and retention of the company's executive officers; (b) motivation of executive officers to achieve the Company's business objectives; and (c) alignment of the interests of executive officers with the company shareholders' long-term interests .
2. Monitor and evaluate matters relating to the compensation and benefits structure of the Company as the Committee deems appropriate.
3. Evaluate and recommend to the board the appropriate elements of individual compensation arrangements; such elements may include corporate goals and objectives relevant to the compensation programs.
4. The CEO, CFO and other officers and directors shall not be present during deliberations or voting concerning their compensation.
5. Oversee the performance of the Company's executive officers; approve the annual compensation plan, including salary, bonus, incentive and equity compensation for the executive officers and Board directors.
6. Review and approve compensation packages for new executive officers; review and approve any termination packages for concerned executive officers

7. Periodically review the compensation paid to non-employee Board directors and make recommendations to the Board for any adjustments. The Committee will not act to make any changes for individual committee member's compensation unless it is uniformly applied to the other Board directors.
8. Discuss with the company management about the Company's Compensation Discussion and Analysis ("CD&A") for the annual proxy statement. Based on the review and feedback, the committee will recommend to the Board that the CD&A be included in the Company's annual report or annual proxy statement in compliance with the Securities and Exchange Commission rules and regulations and relevant listing authorities.
9. Regularly review and make recommendations about changes of the committee charters
10. Obtain or perform an annual evaluation of the Committee's performance from other Board Directors and make applicable improvements.
11. In determining the long-term incentive component of the Company's Chief Executive Officer's (and other key executives') compensation, the Committee shall consider, without limitation, the Company's performance and relative shareholder return, the value of similar incentive awards to Chief Executive Officers (and other key executives) at comparable companies, and the awards given to the Company's Chief Executive Officer (and other key executives) in past years.

VI. Key Performance Criteria

Subject to the direction of the BOD the Committee will consider the following criteria as they relate to executive compensation:

Objective Financial Criteria

1. Annual revenues
2. Gross Margin (Net revenues less cost of goods sold)
3. Net Income after taxes
4. Free Cash Flow
5. Capital Expenditures

Objective Process Criteria

1. Attainment of SOX attestation
2. Establishment of an ERP System In conjunction with SOX attestation)

Adopted by the Board of Directors on June 17, 2008