CITIC TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)
(the "Company")

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Constitution

1. The Remuneration Committee (the "**Remuneration Committee**") is a committee of the board of directors of the Company (the "**Board**").

Membership

2. All members of the Remuneration Committee shall be appointed by the Board from amongst the members of the Board and shall comprise a minimum of three members, with the majority being independent non-executive directors ("**INED(s)**").

3. The Chairman of the Remuneration Committee shall be appointed by the Board from amongst the INEDs.

4. All members of the Remuneration Committee can be removed by the Board at its sole discretion. The Board shall from time to time vary the composition of the Remuneration Committee as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as amended from time to time (the "**Listing Rules**") or the rules of any other stock exchange in respect of which the shares of the Company are listed or quoted, or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time.

Attendance at meetings

5. The Chairman of the Board, the Chief Executive, professional advisers or other persons may be invited by the Remuneration Committee to attend the meetings of the Remuneration Committee. Other Board members shall also have the right of attendance. However, only members of the Remuneration Committee are entitled to vote at the meetings of the Remuneration Committee.

Frequency of meetings

6. The Remuneration Committee shall meet at least once a year. Additional meetings should be held as the work of the Remuneration Committee demands.

Notice of meetings

7. The meetings of the Remuneration Committee shall be convened by the Secretary of the Remuneration Committee with a notice of no less than fourteen (14) days prior to any such meeting being held, unless all members of the Remuneration Committee unanimously waive such notice.

8. Irrespective of the length of notice being given, attendance of a meeting by a member of the Remuneration Committee shall be deemed waiver of the requisite length of notice by such member.

9. Notice of any adjourned meeting is not required if adjournment is for less than fourteen (14) days.

Proceedings of meetings

10. The quorum necessary for the transactions of business of the Remuneration Committee shall be two, of whom at least one has to be INED. Meetings may be held in person or by telephone.

11. Resolution(s) shall be passed by simple majority of votes at the meetings of the Remuneration Committee. In the case of equality of votes, the Chairman of the Remuneration Committee shall have a casting vote.

Authority

12. The Remuneration Committee is authorised by the Board:

    (a) to consult the Chairman and/or Chief Executive about their remuneration proposals for other executive directors;

    (b) to seek any remuneration related information it requires from any senior management who are directed to co-operate with any request made by the Remuneration Committee; and

(c) to have access to independent professional advice, if necessary.

13. The Remuneration Committee will be provided with sufficient resources to perform its duties.

Duties and functions

14. The duties and functions of the Remuneration 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, including 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 his/her associates is involved in deciding his/her own remuneration; and

(i) to advise shareholders of the Company on how to vote with respect to any service contract of directors that require shareholders' approval under the Listing Rules.

Minutes/Written resolutions

15. Minutes of each meeting of the Remuneration Committee should record in sufficient details by the Secretary of the Remuneration Committee, a copy of draft and final version of minutes of such meeting should be sent to its members within a reasonable period of time for their comments and records respectively.

16. Resolution(s) in writing signed by all members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.

17. Minutes or resolution(s) in writing shall be kept by the Secretary of the Remuneration Committee and shall be opened for the Board's inspection.

Reporting responsibilities

18. The Remuneration Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities by way of minutes or any other appropriate ways.

Publication of the terms of reference

19. The terms of reference will be published on the website of each of the Stock Exchange and the Company.

Note: "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

29 March 2012