

China Tower Corporation Limited

Terms of Reference of the Remuneration and Appraisal Committee of the Board

(Considered and approved in the second meeting of the second session of the Board, effective upon listing; and amended in the twelve meeting of the third session of the Board)

CHAPTER I GENERAL RULES

Article 1 In order to strengthen the appraisal and remuneration system of Directors and senior management members, optimize the composition of the Directors and senior management and improve the corporate governance structure of China Tower Corporation Limited (the “Company”), these terms of reference are formulated in accordance with relevant laws, regulations, standardized documents of the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and the requirements of the articles of association of China Tower Corporation Limited (the “Articles of Association”), as well as the actual situation of the Company.

Article 2 The Board has set up the Remuneration and Appraisal Committee of the Board (the “Remuneration and Appraisal Committee”). The Remuneration and Appraisal Committee is a working body specifically set up by the Board, and is mainly responsible for the formulation of the appraisal standards of the Directors and senior management members of the Company and performing the appraisal; The Remuneration and Appraisal Committee is also responsible for the formulation and examining the remuneration policies and plans of Directors and senior management members of the Company. The Remuneration and Appraisal Committee is accountable to the Board.

CHAPTER II THE COMPOSITION OF THE REMUNERATION AND APPRAISAL COMMITTEE

Article 3 The Remuneration and Appraisal Committee shall be composed of over three Directors, in which the proportion of independent non-executive Directors shall be more than half.

Article 4 A chairman is appointed for the Remuneration and Appraisal Committee and shall be taken up by an independent non-executive Director. The chairman is responsible for convening the meeting of the Remuneration and Appraisal Committee and taking charge of the work of the Remuneration and Appraisal Committee.

Article 5 The chairman and members of the Remuneration and Appraisal Committee shall be nominated by the Nomination Committee and selected by more than half of the members of the Board.

Article 6 The term of office of the Remuneration and Appraisal Committee shall be in line with the term of office of the Board. The member may be re-elected upon the expiry of the current term of office. During the term, if any member ceases to hold office as a Director, the Board shall fill up the vacancy in accordance with these terms of reference in order to meet the requirements herein on the composition of the Remuneration and Appraisal Committee. The term of office of the replacing member shall expiry upon the expiry of such member’s term of office as a Director.

Article 7 The Remuneration and Appraisal Committee shall establish working groups as daily administrative office, which is organized by the human resources department of the Company. The human resources department and other member units shall be responsible for the information collection and study and preparation of materials for meeting of the Remuneration and Appraisal Committee, etc. The Board office shall be responsible for the contact of daily works, organization and arrangement of meeting and minutes.

Article 8 Any member of the Remuneration and Appraisal Committee may be replaced in any one of the following circumstances subject to discussion and approval by the Board:

- (I) he/she tenders his/her resignation in writing;
- (II) he/she is involved in gross misconduct or in violation of the requirements of the laws, regulations and the Articles of Association during his/her term of office;
- (III) other circumstances in which he/she is considered by the Board not suitable to serve as a member.

CHAPTER III RESPONSIBILITIES AND AUTHORIZATIONS OF THE REMUNERATION AND APPRAISAL COMMITTEE

Article 9 The main responsibilities and authorizations of the Remuneration and Appraisal Committee are as follows:

- (I) making recommendations to the Board on the establishment of a formal and transparent formulation procedure of the remuneration policy;
- (II) formulating remuneration proposal, plan or structure, and making recommendations to the Board based on the major scope, responsibility and importance of the respective positions of the Directors and senior management members and the remuneration level, policy and structure of the relevant positions of other relevant companies;
- (III) examining the performance of the Directors and senior management members of the Company and performing annual performance appraisals over them;
- (IV) reviewing and supervising the implementation of the remuneration system of the Company in accordance with the corporate goals and targets established by the Board and approving the remuneration recommendation of the management;
- (V) determining the specific remuneration packages of all the executive Directors and senior management members, including but not limited to: basic salaries, options and non-monetary benefits, pension rights and bonuses and compensation amounts (including compensations for loss or termination of office or appointment);
- (VI) making recommendations to the Board on the remuneration of the non-executive Directors;
- (VII) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere within the Company;

- (VIII) reviewing and approving the compensation payable to executive Directors and senior management members 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;
- (IX) discussing and approving 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;
- (X) ensuring that no Director or any of his/her associate (as defined in the Hong Kong Listing Rules) is involved in deciding his/her own remuneration;
- (XI) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;
- (XII) other matters granted by the Board and other relevant requirements to amend the main responsibilities and authorizations of the Remuneration and Appraisal Committee in accordance with the relevant laws and regulations and the listing rules of a place where the Company's securities are listed such as the Hong Kong Listing Rules from time to time.

Article 10 The remuneration plan for Directors proposed by the Remuneration and Appraisal Committee shall be approved by the Board, subject to the consideration and approval at the shareholders' general meeting; and the remuneration scheme for senior management members shall be approved by the Board.

Article 11 Members of the Remuneration and Assessment Committee shall conduct a yearly review on whether the decision-making procedures for remuneration of Directors and senior management members are complying with requirements, based on reasonable grounds and in the interests of the Company and all shareholders and whether the content disclosed in the annual audit report on the remuneration of Directors and senior management is consistent with the actual circumstances, and shall issue reports and submit to the Board.

CHAPTER IV WORKING PROCEDURES OF THE REMUNERATION AND APPRAISAL COMMITTEE

Article 12 The working groups under the Remuneration and Appraisal Committee shall be responsible for making preliminary preparations for the meetings of the Remuneration and Appraisal Committee, and providing relevant information of the Company:

- (I) fulfillment by the Company of its main financial indicators and business objectives;
- (II) division of labor among the Company's senior management members and their main duties;
- (III) indicators completion in relation to the work performance appraisal system of Directors and senior management members;
- (IV) relevance measurement basis for formulating the remuneration distributing plans and methods of the Company; and

- (V) other relevance materials required by the Remuneration and Appraisal Committee within its responsibilities and authorizations.

Article 13 The procedures for appraising Directors and senior management members adopted by the Remuneration and Appraisal Committee are as follows:

- (I) the Directors and senior management members of the Company shall report their work and make self-appraisals to the Board;
- (II) the Remuneration and Appraisal Committee shall carry out performance appraisal of the Directors and senior management members according to the performance appraisal standards and procedures;
- (III) a proposal on the amount of remuneration and method of reward for the Directors and senior management members based on the results of work performance appraisals and prepared according to the remuneration and distribution policies shall be made by the Remuneration and Appraisal Committee and shall be reported to the Board after being reviewed and approved.

CHAPTER V RULES OF PROCEDURES OF THE REMUNERATION AND APPRAISAL COMMITTEE

Article 14 The meetings of the Remuneration and Appraisal Committee are classified as regular meetings and extraordinary meetings. Regular meetings are convened at least once a year, and shall be notified to all members in writing five days prior to the meeting. Materials of the meeting together with agenda for the meeting shall be serviced to all members for their review at least three days before the date appointed for the meeting; extraordinary meetings may be convened upon proposal by the Board, more than one-half of the members or the chairman of the Remuneration and Appraisal Committee, and shall be notified to all members in writing three days prior to the meeting. Materials of the meeting together shall be serviced to all members for their review one day before the date appointed for the meeting.

With the consensus of all members, the above requirements for notice period can be exempted.

Article 15 A notice of meeting of the Remuneration and Appraisal Committee shall include the following contents:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reasons for and agenda of the meeting;
- (IV) the date of dispatch of the notice;
- (V) contact person and contact information of the meeting.

Article 16 A meeting of the Remuneration and Appraisal Committee shall be presided over by the chairman. When the chairman is unable to attend the meeting, he/she may appoint another member to preside over the meeting. If a member who is an independent non-executive Director is unable to attend the meeting for some reason, he/she shall appoint another member who is an independent non-executive Director to attend the meeting on his/her behalf.

Article 17 A meeting of the Remuneration and Appraisal Committee shall be held by more than one-half of the members attending the meeting. The members of the Remuneration and Appraisal Committee can attend the meeting in person, or can appoint another member to attend the meeting and express his/her opinion on his/her behalf.

Article 18 Any member of the Remuneration and Appraisal Committee who fails to attend a meeting in person and fails to appoint another member to attend the meeting on his/her behalf shall be deemed absent from the meeting. Any member who fails to attend meetings for two consecutive times shall be deemed unable to fulfill his/her duties properly. The Board may dismiss his/her role as the member.

Article 19 The meeting of the Remuneration and Appraisal Committee shall be convened in the form of on-site meeting or written resolutions. The decisions made in the meeting shall be voted and approved by over one-half of all members.

Article 20 The Remuneration and Appraisal Committee shall adopt the rule of avoidance. The relevant member shall avoid if the meeting of the Remuneration and Appraisal Committee discusses the relevant issue of such committee member.

In the event that a member or his/her close relatives or any other company under their control is directly or indirectly interested in a matter to be considered at a meeting of the Remuneration and Appraisal Committee, the member shall disclose to the Remuneration and Appraisal Committee the nature and extent of such interests as soon as practicable.

Article 21 Other Directors, supervisors, general manager and other senior management members of the Company may be invited to attend the meeting of the Remuneration and Appraisal Committee when a meeting is convened. If necessary, the Remuneration and Appraisal Committee may engage intermediary agencies to provide professional advisory services for its decision-making, and the expenses shall be paid by the Company.

Article 22 The Remuneration and Appraisal Committee shall keep minute for its meeting. Draft and final versions of minutes of meetings of the Remuneration Committee shall be sent to all Remuneration Committee members for their comment and records respectively within a reasonable time after the meeting. All members present at the meeting shall sign on the minutes. If a member present at the meeting has expressly objected to the discussed matter, it shall be recorded in minutes of the meeting. The minutes shall be kept by the Board office. The minutes shall include the following contents:

- (I) the date, venue and the name of convener of the meeting;
- (II) the number of members who should be present and the number of members who are actually present;
- (III) an explanation of the relevant procedures of the meeting and the validity of the resolutions of the meeting;

- (IV) an explanation of the proposals examined and voted at the meeting and the results of the voting; and
- (V) other matters that should be explained and recorded in the minutes of meeting.

Article 23 The results considered and discussed in the meeting of the Remuneration and Appraisal Committee shall be reported to the Board in writing.

Article 24 Members who attend the meeting of the Remuneration and Appraisal Committee shall undertake confidentiality obligations for all items discussed at the meeting and shall not disclose relevant information without authorization.

Article 25 The convening procedure, discussion methods and the resolutions approved in the meetings of the Remuneration and Appraisal Committee shall comply with the relevant laws and regulations, the relevant regulatory rules of the listing place such as the Hong Kong Listing Rules and the requirements of the Articles of Association.

CHAPTER VI SUPPLEMENTAL PROVISIONS

Article 26 Unless otherwise defined, the expression of “over” referred to in these terms of reference shall include the figure mentioned; the expression of “more than” shall not include the figure mentioned.

Article 27 These terms of reference have Chinese and English versions and the Chinese version shall prevail.

Article 28 Unless otherwise stated, technical terms used in these terms of reference shall have the same meaning as they appear in the Articles of Association.

Article 29 These rules are approved by the Board and shall become effective upon the date of listing and trading of the overseas listed foreign shares (H Shares) under the initial public offering of the Company on the Stock Exchange of Hong Kong Limited. Any amendments to these rules shall be proposed by the Remuneration and Appraisal Committee, and shall become effective upon the approval by the Board.

Article 30 For those matters which have not been covered in these terms of reference, it shall be implemented in accordance with the applicable and the relevant laws and regulations, the relevant regulatory rules of the listing place such as the Hong Kong Listing Rules and the requirements of the Articles of Association; if there are conflicts between these terms of reference and the applicable laws and regulations promulgated by the State in the future, the relevant regulatory rules of the listing place such as the Hong Kong Listing Rules or the requirements of the Articles of Association amended by legal procedure, it shall be implemented in accordance with the relevant laws and regulations of the State, the relevant regulatory rules of the listing place such as the Hong Kong Listing Rules and the requirements of the Articles of Association, and it shall be amended in a timely fashion.

Article 31 These terms of reference shall be interpreted and revised by the Board.