

TCL Communication Technology Holdings Limited
(the "Company")

Terms of Reference of Remuneration Committee
(Adopted at the Board Meeting on 16 April 2005
and as revised at the Board Meeting on 28 October 2005)

Constitution

1. The board (the "Board") of directors of the Company (the "Directors") has resolved to establish a committee known as the Remuneration Committee (the "Committee").

Membership

2. A majority of members shall be independent non-executive Directors. All members and the chairman of the Committee shall be appointed and removed by the Board.

Quorum

3. The quorum necessary for the transaction of the business of the Committee shall be two members of the Committee.

Frequency of meetings

4. The Committee shall meet not less than once a year.

Authority

5. The Committee is authorised to seek any information it requires from any employee or Director of the Company in order to perform its duties. In connection with its duties, the Committee is authorised to obtain advice from any person, including professional consultants, whom it regards as competent to give such advice.

Powers and duties

6. The Committee shall have the following powers and duties:
 - (a) The Committee shall make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior

management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

- (b) The Committee shall exercise the delegated powers of the Board to determine the remuneration packages of all executive Directors, and senior management, (including salaries, bonuses, benefits in kind, the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme and compensation payments (including any compensation payable for loss or termination of their office or appointment)) taking into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and senior management, employment conditions elsewhere in the group and desirability of performance -based remuneration.
- (c) The Committee shall review and approve the performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) The Committee shall review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and
- (e) The Committee shall review and approve the compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.
- (f) The Committee shall make recommendation to the Board on the remuneration of non-executive Directors which shall be approved by the Board.
- (g) The Committee should ensure that no Director or any of his associates is involved in deciding his own remuneration.
- (h) The Committee shall report to the Directors of the Company its activities as the Board may require from time to time.

- (i) The Committee shall exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the remuneration of the executive Directors and senior management as the Board may from time to time delegate to it, having regard to the Code of Corporate Governance Practices (“the Code”) set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”).
- (j) In exercising its power, authorities and discretions and performing its duties, the Committee shall take full account of the Listing Rules (including the Code).

Note: This is the English translation of the Chinese version of terms of reference of remuneration committee. In case of inconsistency between the Chinese and English versions, the Chinese version shall prevail.