



## **A8 Digital Music Holdings Limited**

**A8電媒音樂控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 800)**

### **The Nomination Committee of the Board**

#### **Terms of Reference**

*(With effect from 18 November 2013)*

#### **1. General Provisions**

- 1.1. In order to establish and standardize a nomination management system and procedure for the personnel of A8 Digital Music Holdings Limited (the “**Company**”), the Board of directors of the Company (the “**Board**”) approved the formation of the Nomination Committee (the “**Committee**”) and formulated the terms of reference (the “**Terms of Reference**”) by resolution on 27 March 2012 in accordance with the Corporate Governance Code issued by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Articles of Association of A8 Digital Music Holdings Limited (“**Articles of Association**”) and other relevant provisions.
- 1.2. The Committee is a special organization established by the Board and shall be appointed by the Board. The Committee shall be responsible for making recommendations to and advising the Board on the candidates, selection criteria and procedures of the directors (the “**Directors**”) and senior management of the Company and shall hold responsibilities for the Board and report the work accordingly.
- 1.3. The Terms of Reference shall be applicable to the Committee and the relevant personnel and departments relating thereto.

#### **2. Composition of the Committee**

- 2.1. The Committee shall consist of not less than three members (the “**Members**”) and the Members shall be appointed and removed by the Board.
- 2.2. The Committee shall be chaired by the Chairman of the Board or an independent non-executive Director, and the majority of which shall be independent non-executive Directors.

- 2.3. The company secretary of the Company (the “**Company Secretary**”) or (in the absence of the Company Secretary) his proxy shall be appointed as the secretary to the Committee (the “**Secretary to the Committee**”). The Committee may from time to time appoint any other person with adequate qualifications and experiences to hold the position of the Secretary to the Committee.

### **3. Duties of the Committee**

- 3.1 The Committee, when exercising its powers, must comply with the relevant provisions of the Listing Rules, Articles of Association and Terms of Reference, and shall not prejudice the interests of the Company and shareholders. The Terms of Reference of the Committee shall include:

- (a) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to implement the Company’s corporate strategy;
- (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable candidates, the Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- (c) to assess the independence of independent non-executive Directors;
- (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the chief executive, taking into account the Company’s development strategy and the mix of skills, knowledge, experience and diversity needed in the future;
- (e) to review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
- (f) to supervise and investigate the nomination management system and procedures of the Directors and senior management of the Company, the

implementation thereof and execution of the relevant policies. The methods of the investigation include but not limited to attendance or being heard at the relevant meetings of the Company and conducting internal investigations within the Company. The Committee shall also obtain any information when necessary in exercising its powers from any employees

- (g) to answer questions at the annual general meetings by the chairman of the Committee or, in the absence of the chairman of the Committee, by another Member or his authorized representative upon the request of the Chairman of the Board;
- (h) to report to the Board its decision or recommendation unless otherwise prohibited by laws or regulatory restrictions (eg. restrictions from disclosure by regulatory provisions);
- (i) Where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting should set out the reasons for the Board to elect such person and consider him as independent; and
- (j) The Committee shall make available its Terms of Reference, explaining its role and the authority delegated to it by the Board on the websites of the Stock Exchange and the Company. The website of the Company is [www.a8.com](http://www.a8.com).

3.2 The Company shall provide the Committee with sufficient resources to perform its duties and where necessary, it may seek independent professional advice at the expense of the Company;

#### **4. The duties of the chairman of the Committee**

The duties of the chairman of the Committee shall include the followings:

- (1) to convene and preside over meetings of the Committee;
- (2) to oversee and review the works of the Committee;
- (3) to execute the relevant documents of the Committee;
- (4) to report the works of the Committee to the Board;
- (5) to ensure the Committee to operate effectively and discharge its duties;
- (6) to ensure the Committee to draw a clear and specific conclusion on every resolution so discussed;
- (7) other duties as required by the Board.

## **5. Proceedings of the Committee**

### **Convening of meetings**

- 5.1. The Committee shall meet at least once a year and may hold additional meetings as necessary. The meetings shall be convened by the chairman of the Committee, or the Members or the management of the Company after obtaining the approval of the chairman of the Committee.
- 5.2. There shall two Members present at the meetings of the Committee to constitute a quorum.
- 5.3. The chairman of the Committee, upon deciding to issue a provisional notice of meeting of the Committee, shall promptly inform the Secretary to the Committee who shall serve the notice of meeting in writing on Members and the relevant personnel attending the meeting three days before the meeting (except under special circumstances). Particulars of the notice of meeting shall include the method, time, location, duration and subject of the meeting, and the time of dispatch and the relevant information. However, the above requirements of notice period and procedures may be exempted upon unanimously agreement of all Members.
- 5.4. The Committee shall also convene a meeting when it is necessary to decide on a resolution according to the Terms of Reference.
- 5.5. The Members of the Committee shall, upon receiving the notice of meeting, promptly confirm their receipt in an appropriate manner and reply accordingly (including but not limited to whether to attend the meeting and their schedules).

### **Attending the meetings**

- 5.6. The Members of the Committee shall attend the meetings in person (attending by ways of electronic communication via telephone or video are also deemed as attending in person).
  - 5.6.1. A Member who, due to certain reasons, is unable to attend the meeting in person may submit a power of attorney signed by the Member appointing other Members to attend the meeting and give opinions on his behalf. The power of attorney shall expressly state the scope and duration of the authorization. Each Member cannot be appointed by more than two Members

at the same time and shall exercise rights within the authority delegated to him.

- 5.6.2. Members who are unable to attend the meeting in person may also exercise their rights by submitting their written opinions on the proposed matters, provided that the written opinions shall be delivered to the secretary to the Committee prior to the meeting and within the period as required by the notice of meeting.
- 5.6.3. Members who neither attend the meetings of the Committee, nor appoint other Members to exercise the rights on their behalf or submit the written opinions before the meetings shall be deemed as declining their rights.
- 5.7. The Board may adjust the composition of the Committee in accordance with the Terms of Reference if the Member neither attends the meetings of the Committee in person nor authorizes other Members to attend on his behalf, nor does he submit the written opinions before the meeting for two consecutive times.
- 5.8. In the event that the proposed matters of the Committee contradict with the interest of the Members, the Members so interested shall avoid such matters.
- 5.9. The Company Secretary shall attend the meeting of the Committee and, if necessary, the Committee may invite other Directors and the senior management of the Company, personnel of the relevant functional departments and experts, scholars and professional consultants to attend the meeting. Persons attending the meeting shall, in accordance with the requirements of the Committee, give explanations on relevant matters.

#### **Consideration and voting**

- 5.10. The proposed matters shall be reviewed and discussed at the meetings of the Committee, and the Members shall fully and clearly express their own views independently in accordance with their judgment.
- 5.11. The chairman of the Committee shall, on the basis of adequate review and discussion, form an audit opinion on the matters transacted at the committee meeting by summarizing the discussions and opinions of the Members at the meeting, and shall provoke the Members of the Committee to vote on matters so discussed and the audit opinion by a show of hands or by poll.
- 5.12. Each Member shall have one vote and the resolutions made by the Members in respect of the proposed matters must be approved, signed and confirmed

by over half of the Members who attend in person or delegate other Members to vote in favor of the proposed resolutions on their behalf or submit their written consents on the proposed resolutions in such manner as required by the Terms of Reference). Members who cast votes against the resolutions are entitled to demand their objection to be indicated in the minutes of the Committee.

- 5.13. In the event of insufficient information or materials as required by the proposed matters, resulting in over half of the Members are of the views that no discussion or judgment can be made, the Committee shall reserve the right to require the provision of additional information or materials for further consideration.
- 5.14. Save as the above, the Committee shall express its audit opinion with explicit agreement or disagreement with the subject matters.
- 5.15. Minutes of the Committee meetings record in sufficient detail the matters considered and decisions reached, as well as any concerns raised by Members or dissenting views expressed. Draft and final versions of minutes of the Committee meetings shall be sent to all Members for their comment and records within a reasonable time after the meeting.
- 5.16. Full minutes of the Committee meetings should be kept by the Secretary to the Committee and shall be incorporated into the Company's records in a timely manner.

## **6. Confidentiality and others**

The Members of the Committee and other personnel attending the meeting shall have the obligation for keeping the discussed matters confidential and shall not disclose the relevant information.

## **7. Supplementary Provisions**

- 7.1. Terms used herein shall have the same meanings as those defined in the Articles of Association unless otherwise specify.
- 7.2. The Terms of Reference shall come into force upon the passing of the Board.
- 7.3. For the matters which are not covered by the Terms of Reference or are not in congruence with the provisions of the newly issued or revised laws, regulations and regulatory documents, the Listing Rules, Articles of Association or terms of reference of the Board upon the Terms of Reference

become effective, the relevant laws, regulations and regulatory documents, the Listing Rules, Articles of Association or terms of reference of the Board shall prevail.

- 7.4. The right to interpret and amend the Terms of Reference shall reside with the Board of the Company.

\*\*\*END\*\*\*

This revision was adopted by the Board on 18 November 2013