



A8 New Media Group Limited

A8 新媒體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 800)

The Remuneration Committee of the Board

Terms of Reference

(Revised and effective since 1 January 2019)

1. General Provisions

- 1.1. In order to establish and standardise a remuneration and assessment system and procedure for A8 New Media Group Limited (the “**Company**”), the board of directors (the “**Board**”) of the Company approved the formation of the Remuneration Committee (the “**Committee**”) and formulated these terms of reference (the “**Terms of Reference**”) 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 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (the “**Code**”), the Articles of Association of the Company (“**Articles of Association**”) and other relevant provisions.
- 1.2. The Remuneration Committee of the Board of the Company is a special organ 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 formulation and review of the remuneration procedures and policies of the directors (the “**Directors**”, and each, a “**Director**”) 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 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) or 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. Amount and Extent of Remuneration and Disclosure

The Company shall disclose the remuneration policy of the Directors and other remuneration related matters, and shall have a formal and transparent procedure in place to formulate the policy for the remuneration of the relevant executive Directors and the remuneration packages of all Directors. The remuneration levels shall be sufficient to attract and retain Directors for their proper management of the Company without paying more than necessary. A significant proportion of executive Directors’ remuneration shall link rewards to the corporate and individual performance. No Director shall be involved in determining his own remuneration.

4. Duties of the Committee

- 4.1. The Committee, when exercising its powers, must comply with the relevant provisions of the Listing Rules, Articles of Association, the Terms of Reference and related laws and regulations, and shall not prejudice the interests of the Company and shareholders. The duties of the Committee include:
 - (a) making recommendations to the Board on and supervision of 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) consulting the Chairman of the Board or the chief executive officer on the remuneration proposals for other executive Directors and, if necessary, shall seek independent professional advice at the expense of the Company;
 - (c) making recommendations to the Board on the remuneration of

non-executive Directors;

- (d) dealing with and/or being responsible for one of the followings:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

These shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (e) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (f) studying and making recommendations on the equity incentive plan for the Directors and senior management of the Company, and approving the grant of equity related incentives and rewards to the Directors and senior management;
- (g) considering at any time and pay reasonable attention to the performance of Directors and senior management, their time commitment and responsibilities, interests of shareholders, the Company's financial state, market conditions, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (h) reviewing the remuneration packages for the Directors and senior management of the Company on an independent and fair basis;
- (i) reviewing the assessment system for the remuneration of the Directors and senior management and supervision of its implementation.

If necessary, the Committee would perform such assessment on the remuneration of the Directors and senior management and the procedures of which is as follows:

- (i) Directors and the senior management of the Company shall report on their work and deliver self-assessment report to the Committee;
- (ii) the Committee shall carry out performance assessment on the

Directors and senior management based on the performance assessment standard and procedure; and

- (iii) the Committee shall propose the amount of remuneration and incentive method for the Directors and senior management pursuant to the assessment results and the remuneration policy in place and report to the Board for consideration;
- (j) reviewing and approving 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;
- (k) reviewing 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;
- (l) ensuring that no Director or any of his associates is involved in deciding his own remuneration;
- (m) advising shareholders on whether the terms of the service contracts to be approved by shareholders are fair and reasonable and whether the contracts are in the interest of the Company and the shareholders as a whole, and recommending the shareholders (excluding interested shareholders and shareholders who have a material interest in the service contracts and their associates) on how to vote in accordance with the provisions of Rule 13.68 of the Listing Rules;
- (n) reporting to the Board its decision or recommendation unless otherwise prohibited by laws or regulatory restrictions (eg. restricted from disclosure by regulatory provisions);
- (o) arranging the chairman of the Committee or (in the absence of the chairman of the Committee, a Member or his duly appointed delegate) to address any issues raised at the annual general meeting at the request of the Chairman of the Board; and
- (p) making available the 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 websites of the Company is www.a8nmg.com.

4.2. The Committee shall have the following rights :

- (a) to be provided with sufficient resources to perform its duties;
- (b) if 4.1(d)(ii) is adopted, where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagree, the Board should disclose the reasons for its resolution in its next corporate governance report; and
- (c) to carry out investigations in relation to the remuneration arrangements of the Company and the implementation of the relevant policies by means of attending and being heard at the relevant meetings of the Company or conducting internal investigations.

5. The duties of the chairman of the Committee

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

- (a) to convene and preside over meetings of the Committee;
- (b) to oversee and review the works of the Committee;
- (c) to execute the relevant documents of the Committee;
- (d) to report the works of the Committee to the Board;
- (e) to ensure the Committee to operate effectively and discharge its duties;
- (f) to ensure the Committee to draw a clear and specific conclusion on every resolution so discussed; and
- (g) other duties as required by the Board.

6. Proceedings of the Committee

Convening of meetings

- 6.1. 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.
- 6.2. There shall be two of the Members of whom at least one is an independent non-executive Director present at the meetings of the Committee to constitute a quorum.
- 6.3. 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 despatch and the relevant information. However, the above requirements of notice period and procedures may be exempted upon unanimous agreement of all Members.

- 6.4. The Committee shall also convene a meeting when it is necessary to decide on a resolution according to the Terms of Reference.
- 6.5. 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

- 6.6. The Members of the Committee shall attend the meetings in person (attending by ways of instant communication via telephone or video are also deemed to attending in person).
 - 6.6.1. 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 Member to attend the meeting and give opinions on his behalf. The power of attorney shall expressly state the scope and duration of the authorisation. Each Member cannot be appointed by more than two Members at the same time and shall exercise rights within the authority delegated to him.
 - 6.6.2. 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.
 - 6.6.3. 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.
- 6.7. 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 or authorises other Members to attend on his behalf, nor does he submit the written opinions before the meeting for two consecutive times.

- 6.8. 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.
- 6.9. 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 personnel from the intermediaries 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

- 6.10. 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 judgement.
- 6.11. The chairman of the Committee shall, on the basis of adequate review and discussion, form an opinion on the matters transacted at the committee meeting by summarising the discussions and opinions of the Members at the meeting, and shall provoke the Members to vote on matters so discussed by a show of hands or by poll.
- 6.12. 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 favour 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 resolutions of the Committee.
- 6.13. 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 judgement can be made, the Committee shall reserve the right to require the provision of additional information or materials for further consideration.

- 6.14. Save as the above, the Committee shall express its opinion with explicit agreement or disagreement with the subject matters.
- 6.15. Minutes of the Committee meetings record in sufficient detail the matters considered and decisions reached, including 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.
- 6.16. Full minutes of the Committee meetings should be kept by the Secretary to the Committee and shall be open for inspection at any reasonable time on reasonable notice by any Member. The minutes of the Committee meetings shall be incorporated into the Company's records in a timely manner.

7. Confidentiality

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.

8. Supplementary Provisions

- 8.1. Terms used herein shall have the same meanings as those defined in the Articles of Association unless otherwise specify.
- 8.2. The Terms of Reference shall come into force upon the passing of the Board.
- 8.3. 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.
- 8.4. The right to interpret and amend the Terms of Reference shall reside with the Board of the Company.

END

Updated by the Board on 31 December 2018