

CORPORATE GOVERNANCE REPORT

TVB's key corporate governance practices and activities during the year ended 31 December 2018 are set out in this report which has been prepared in accordance with the requirements of Appendix 14 of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

Maintaining high standards of business ethics and corporate governance practices has always been one of the Company's core objectives. The Company believes that conducting business in an open and a responsible manner serves its long-term interests and those of the stakeholders.

The Company was in compliance with the code provisions of the Corporate Governance Codes under the Listing Rules ("CG Code") throughout 2018.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY AND REPORT

The Board has overall responsibility for the Company's environmental, social and governance ("ESG") strategy and reporting. In line with the CG Code, the Board is responsible for evaluating and determining the Company's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

BOARD OF DIRECTORS AND ITS COMMITTEES

BOARD OF DIRECTORS

The Company is headed by an effective Board which is charged with the duty of promoting the success of the Company by directing and supervising its affairs in a responsible manner.

The Board is the highest governing body of the Company and is supported by six Board Committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Committee and the Investment Committee.

The Board is responsible for development and review of the Company's policies and practices on corporate governance; review and monitoring of training and continuous professional development of Directors; review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements; development, review and monitoring of the code of conduct and compliance manuals applicable to employees and Directors; and review of the Company's compliance with the CG Code and disclosure in the CG Report.

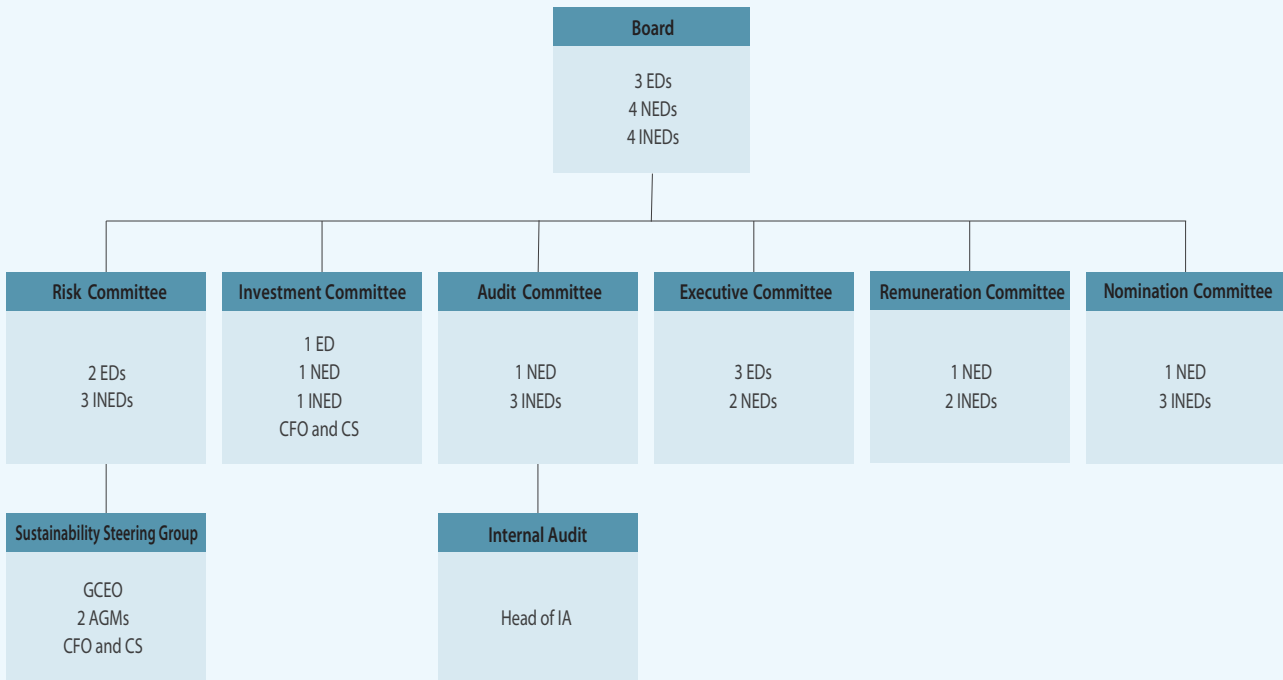


Television Broadcasts Limited
電視廣播有限公司
2018 Annual General Meeting
二零一八年股東周年大會



COMPOSITION OF THE BOARD AND ITS COMMITTEES

The corporate governance structure of the Company at the date of this CG Report is as follows:



- ED : Executive Director
- NED : Non-executive Director
- INED : Independent Non-executive Director
- GCEO : Group Chief Executive Officer
- AGM : Assistant General Manager
- CFO : Chief Financial Officer
- CS : Company Secretary
- IA : Internal Audit

CORPORATE GOVERNANCE REPORT

The Board comprises of Executive Directors and Non-executive Directors (including the Independent Non-executive Directors) which together give the Board a balance of skills and experience necessary for the fulfilment of the Company's business objectives. The Non-executive Directors provide independent views at the Board level, which enables the effective exercise of independent judgement.

A list of the Directors of the Company is set out on page 98 and the Directors' biographical information are set out on pages 70 to 74 of this Annual Report.

BOARD DIVERSITY

The Board has adopted a Board Diversity Policy, which follows the practice as laid down by the Stock Exchange.

The Board has a total of 11 Directors

Executive Directors	Non-executive Directors
3	8 (including 4 INEDs)

Male and Female

Male	Female
10 Directors (91%)	1 Director (9%)

The number of Directors falling within the following age groups are:

45-50	51-55	56-60	61-65	66-70
2 Directors	0 Director	1 Director	5 Directors	3 Directors

The average age of Directors is 61 years old.

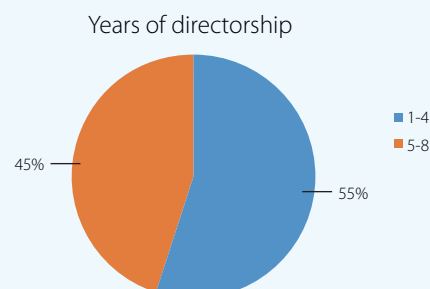
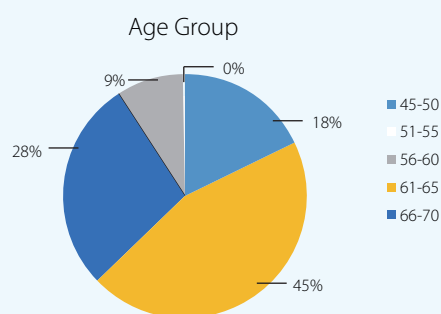
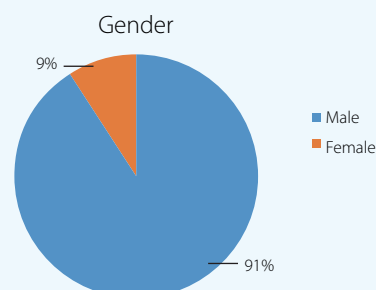
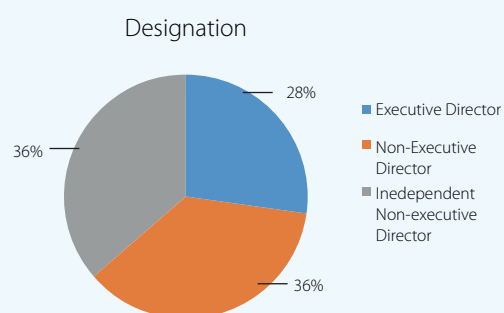
Years of directorship with TVB

1-4 years	5-8 years
6	5

The Board Diversity Policy contains measurable objectives for implementing the Board Diversity Policy, and progress on achieving the objectives of the Board Diversity Policy.

Pursuant to the Board Diversity Policy, the Board shall consider the benefits of diversity when it reviews the Board composition, in addition to examining whether it has a balance of skills, experience and independence.

The full text of the Board Diversity Policy is set out on page 115 of this annual report.



The background of members of the Board is as follows:

Director	Title	Background
Charles Chan Kwok Keung	Chairman Non-executive Director	Investment
Li Ruigang	Vice Chairman Non-executive Director	Media and Entertainment
Mark Lee Po On	Executive Director Group Chief Executive Officer	Management and Operations
Cheong Shin Keong	Executive Director General Manager	Technology
Thomas Hui To	Executive Director	Investment, Media and Entertainment
Anthony Lee Hsien Pin	Non-executive Director	Investment
Chen Wen Chi	Non-executive Director	Technology
Raymond Or Ching Fai	Independent Non-executive Director	Banking and Finance
William Lo Wing Yan	Independent Non-executive Director	Technology, Media and Telecommunications
Caroline Wang Chia-Ling	Independent Non-executive Director	Business and Technology
Allan Zeman	Independent Non-executive Director	Investment

The Directors have very diversified background, ranging from management, finance, media and investment to technology, which fit well with the Company's strategic objectives. The Nomination Committee considers that this board structure to be optimal for the Company.

DIRECTORS' RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS

Each Director has a duty to act in good faith and in the best interests of the Company. The Directors are collectively and individually responsible to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated.

Each Director is kept abreast of his/her responsibilities as Director of the Company. Management provides all Directors monthly management accounts, press releases and cuttings, and other information in a timely manner to keep them apprised of the Company's latest development, performance, position and prospects. In addition, Directors have independent access to members of Senior Management and the Company Secretary in respect of operational issues.

In order to keep Directors abreast of professional developments, the Company organises training sessions to Directors from time-to-time on updates

of rules and regulations, market developments, and other relevant topics. At the August 2018 board meeting, the Company invited external speakers to provide market updates on shareholders activism in Asia, and a reminder of the key provisions of the Broadcasting Ordinance. At the December 2018 board meeting, the Company briefed Directors on major Listing Rules and CG Code amendments which will take effect from 1 January 2019. In addition, each Director was asked to provide the Company with a complete record of attended trainings during the year for record purposes.

The Board is empowered to set the strategic direction of the Company and monitor the performance of the Group's business and management; and, inter-alia, ensure that a risk management framework is in place to enable the Company's risks be assessed and managed.

The Board exercises a number of reserved approval powers over matters which include:

- significant changes in accounting policies or capital structure;
- issuance of financial statements and public announcements;
- major acquisitions, disposals and major capital projects;

CORPORATE GOVERNANCE REPORT

- material borrowings and any issuing, or buying back, of equity securities;
- the remuneration policy;
- the annual group budget;
- the dividend policy; and
- the treasury policy.

During the year and up to the date of this CG Report, the following changes to the composition of the Board and its Committees took place:

- Mr. Thomas Hui To was re-designated as an Executive Director of the Company on 21 March 2018.
- Mr. Cheong Shin Keong, Mr. Thomas Hui To, Mr. Anthony Lee Hsien Pin, Mr. Chen Wen Chi, Dr. William Lo Wing Yan, Professor Wang Chia-Ling and Dr. Allan Zeman retired and were successfully re-elected as Directors at 2018 AGM on 23 May 2018.

- An Investment Committee of the Board of the Company was established on 22 August 2018 for the purposes of review the Company's portfolio of marketable securities and monitor its performance on a regular basis. The membership of the Investment Committee comprises of Dr. Raymond Or Ching Fai (INED) as Chairman and Mr. Anthony Lee Hsien Pin (NED), Mr. Thomas Hui To (ED) and Mr. Adrian Mak Yau Kee (CFO) as members.

- Dr. William Lo Wing Yan was appointed as the chairman of the Risk Committee on 5 December 2018. He has been a member of the Risk Committee since August 2015. Dr. Raymond Or Ching Fai was re-designated from the chairman to a member of the Risk Committee on 5 December 2018.

Save as disclosed in this section, there were no other changes in the composition of the Board and its Committees during the year and up to the date of this CG report.

The memberships of the Board and its Committees as of the date of this CG Report are as follows:

Board of Directors	Also Serving:	Executive Committee	Audit Committee	Remuneration Committee	Nomination Committee	Risk Committee	Investment Committee ¹
Chairman and Non-executive Director							
Charles Chan Kwok Keung		C	-	M	-	-	-
Vice Chairman and Non-executive Director							
Li Ruigang		-	-	-	-	-	-
Executive Directors							
Mark Lee Po On		M	-	-	-	M	-
Cheong Shin Keong		M	-	-	-	M	-
Thomas Hui To		M	-	-	-	-	M
Non-executive Directors							
Anthony Lee Hsien Pin		-	M	-	M	-	M
Chen Wen Chi		M	-	-	-	-	-
Independent Non-executive Directors							
Raymond Or Ching Fai		-	M	C	C	M	C
William Lo Wing Yan		-	C	M	M	C	-
Professor Wang Chia-Ling		-	M	-	-	M	-
Allan Zeman		-	-	-	M	-	-

C: Chairman
M: Member

Note:

¹ The Investment Committee was established on 22 August 2018. The forth member of this Committee is Mr. Adrian Mak Yau Kee, CFO and Company Secretary of the Company.

ATTENDANCE RECORDS OF DIRECTORS

The attendance¹ records of Directors at the Board and its Committees' meetings and annual general meeting in 2018 are set out below:

Directors	Board meetings	Executive Committee meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meeting	Risk Committee meetings	Investment Committee meetings	2018 AGM
Charles Chan Kwok Keung	5/5	24/25	-	2/2	-	-	-	1/1
Li Ruigang	3/5	-	-	-	-	-	-	1/1
Mark Lee Po On	4/5	25/25	-	-	-	2/2	-	1/1
Cheong Shin Keong	4/5	25/25	-	-	-	2/2	-	1/1
Thomas Hui To	5/5	21/25	-	-	-	-	3/3	1/1
Anthony Lee Hsien Pin	5/5	-	3/3	-	1/1	-	3/3	1/1
Chen Wen Chi	1/5	1/25	-	-	-	-	-	1/1
Raymond Or Ching Fai	5/5	-	3/3	2/2	1/1	2/2	3/3	1/1
William Lo Wing Yan	5/5	-	2/3	2/2	0/1	1/2	-	1/1
Professor Wang Chia-Ling	5/5	-	3/3	-	-	2/2	-	1/1
Allan Zeman	5/5	-	-	-	1/1	-	-	1/1

Notes:

Demonstration – Total numbers of meeting(s) attended/Total number of meeting(s) held during 2018

- ¹ Directors may attend meetings in person, by phone or through other means of electronic communication or by their alternate directors in accordance with the Articles.
- ² Mr. Chen Wen Chi attended a few meetings of the Company during 2018 due to his tight business schedule. Although Mr. Chen could not attend all the meetings, he confirmed that he had read monthly updates, articles and news of the Company. He had also discussed with other members of the Board the affairs of the Company during 2018.

BOARD MEETINGS

During 2018, the Board held a total of five meetings and passed a total of three resolutions-in-writing which dealt with, inter-alia, the following matters:

- approved the annual results for the year ended 31 December 2017
- approved the continuing connected transactions with TVBC in relation to the licensing agreement and supply agreement
- approved the grant of TVB Option Scheme
- approved the investment in SMI bonds
- reviewed the 2018 first quarter performance of the Group
- approved the interim results for the six months ended 30 June 2018 and the interim dividend for the year ended 31 December 2018
- approved the acquisition of additional 15% equity interest in TVBC
- reviewed the operating and capital budgets for the year ending 31 December 2019
- approved the publication of announcements in connection with the above matters as required under the Listing Rules

CORPORATE GOVERNANCE REPORT

At the August 2018 board meeting, the Chairman of the Board met with the Non-executive Directors (including the INEDs) without the presence of the Executive Directors, as required under the Listing Rules. The purpose of this meeting was to discuss issues relevant to the Board and its operations. No matters of significance arose at this meeting.

All Directors have confirmed that they had spent sufficient time in the affairs of the Company during the year.

The Chairman is of the view that the Board is working effectively and is performing its duties.

The Company has, at its own cost and expense, taken out and maintained appropriate directors' liability insurance to insure against losses and liabilities, if any, incurred by the Directors of the Company in their capacity as such.

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters and is tasked to ensure that the Board procedures are followed and that the Board is kept informed of developments of the Group.

The biographical details of the Company Secretary can be found on page 75 of the annual report under Senior Management. The Company Secretary confirmed that he had undertaken over 15 hours of relevant training for his position, as required under Rule 3.29 of the Listing Rules, during the year.

PROCEEDINGS OF THE BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Board holds meetings in person on pre-scheduled dates agreed one year in advance. Notices of Board meetings are despatched well in advance of each meeting. The agendas of Board meetings are approved by the Chairman of the Board, and all Directors are given the opportunities to propose agenda items for consideration at meetings. The Board is provided with adequate and timely information about the Company's business and developments before each meeting to enable active participation and discussions. Before each meetings, draft minutes of the previous meeting are circulated

and commented on by Directors, before they are approved by the Chairman.

Pursuant to the Articles, a resolution-in-writing signed by all of the Directors shall be regarded as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. However, if a Director has a conflict of interest in any matter to be considered by the Board which it has determined to be material, such a matter should be dealt with by a meeting, rather than in a resolution-in-writing.

Proceedings of the Board Committee meetings are governed by the provisions in the Articles for regulating the proceedings of the meetings of Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS ("INEDs")

The Company has adopted stringent procedures for the appointment of INEDs and the continuous requirement to monitor independence.

Before and on appointment

- Nomination Committee will follow the Policy for nomination of directors (including the nomination procedures and criteria for selection and recommendation of candidates for directorship, and the Diversity Policy) and an assessment of his/her independence; and
- Upon his/her appointment, the INED is required to confirm with the Stock Exchange his/her independence having regard to the criteria under Rule 3.13 of the Listing Rules.

On-going process

- Each of the INED is required to inform the Stock Exchange and the Company, as soon as practicable, if there is any change in his or her own personal particulars that may affect his/her independence.
- The INEDs are required to confirm with the Company whether he/she has any financial, business, family or other material/relevant relationship with each other on a semi-annual basis.
- All Directors have continuing duty to update the Company on any changes to their other appointment which will be reviewed by the Company.

Annual assessment

- Each of the INED is required to confirm with the Company his/her independence having regard to the criteria under rule 3.13 of the Listing Rules.
- Nomination Committee will assess and review the independence of the INEDs annually.

There is a total of four INEDs on the Board, namely, Dr. Raymond Or Ching Fai, Dr. William Lo Wing Yan, Professor Caroline Wang Chia-Ling and Dr. Allan Zeman. This number fulfills the requirement of a minimum of three independent non-executive directors as prescribed under Rule 3.10(1) of the Listing Rules and represents over one-third of the composition of the Board of Directors, as prescribed under Rule 3.10A of the Listing Rules. It is considered that the majority of the INED possesses related financial management expertise.

Each of the INED of the Company has given the Company a confirmation of his/her independence. The Nomination Committee had reviewed on 13 March 2019, by reference to the guidelines set out in Rule 3.13 of the Listing Rules the independence of each of these Directors, and considered that all INEDs are independent.

Dr. William Lo Wing Yan was appointed as chairman and executive director of SMI Holdings Group Limited ("SMI"), a company listed on the main board of the Stock Exchange and in which the Company had invested in US\$23 million 9.5% redeemable fixed coupon bonds due 2020 ("SMI Fixed Coupon Bond") and in US\$83 million 7.5% redeemable convertible bonds due 2020 ("SMI Redeemable Convertible Bond"). Dr. Lo voluntarily abstained on the resolution of the Audit Committee on 20 March 2019 which recommended the report and accounts of the Group for the year ended 31 December 2018 to the Board.

The INEDs of the Company carried out a review of the connected transactions of the Company during the year.

RELATIONSHIPS BETWEEN DIRECTORS

The Directors have no relationships (including financial, business, family or other material/relevant relationships) among themselves, save for the fact that Dr. Charles Chan Kwong Keung (Chairman and a Non-executive Director of the Company) together with Mr. Li Ruigang (Vice Chairman and a Non-executive Director of the Company) and Ms. Cher Wang Hsiueh Hong (Spouse of Mr. Chen Wen Chi, a Non-executive Director of the Company) are indirect shareholders of Shaw Brothers which directly holds 26% of the shareholding interest of the Company.

DIRECTORS' TERM OF OFFICE, ELECTION AND RE-ELECTION

Pursuant to the Articles, all Directors shall be subject to retirement and re-election. Any Director (including Non-executive Directors) appointed by the Board either to fill a casual vacancy or as an additional Director shall hold office only until the immediately following general meeting of the Company, and shall then be eligible for election at such a meeting. Thereafter, they shall be subject to retirement and re-election at every third annual general meeting of the Company in accordance with the Articles. None of the Directors of the Company has a service contract with the Company which is not determinable within one year, without payment of compensation, other than statutory compensation.

CORPORATE GOVERNANCE REPORT

The Company had issued a letter of appointment to document the key terms of appointment of each Director. A set of “TVB Directors’ Manual” containing the Articles, the TVB CG Code, the Model Code and notification procedures, terms of reference of the respective Board Committees, and certain internal policies and rules update and the guidelines issued by the regulatory and professional bodies in respect of their duties is provided to all Directors upon joining the Board. In addition, the Company offers formal induction training to Directors upon their appointment.

In accordance with Article 117(A) of the Articles, Mr. Mark Lee Po On and Dr. Raymond Or Ching Fai, will retire at the 2019 AGM and, being eligible, offer themselves for re-election at the 2019 AGM.

Details of the Directors, who are subject to re-election at the 2019 AGM, are set out in the notice of the 2019 AGM which will be sent to Shareholders of the Company.

SEGREGATION OF DUTIES BETWEEN THE CHAIRMAN AND THE GROUP CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Group Chief Executive Officer of the Company are segregated and clearly defined, as set out in the TVB CG Code.

Dr. Charles Chan Kwong Keung, Chairman of the Board, provides leadership for the Board. He chairs the Board meetings and promotes a culture of openness to encourage all Directors to actively contribute to the Board’s affairs, to express their views and concerns, to allow sufficient time for discussion of issues, and to ensure that the Board decisions fairly reflect the Board’s consensus and the Board acts in the best interest of the Company.

Mr. Mark Lee Po On, Executive Director and Group Chief Executive Officer of the Company is the pinnacle of the management structure. He is responsible for implementing and reporting to the Board on the implementation of the Company’s strategies; overseeing the realisation by the Company of the objectives set by the Board; and providing the necessary information for the Board to monitor the performance of Management.

DIRECTORS’ SECURITIES TRANSACTIONS

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code, as amended from time-to-time, as the code for Directors and members of Senior Management in their dealings in the securities of the Company.

All Directors and members of Senior Management were subject to specific enquiries by the Company as part of their bi-annual confirmations of compliance and have confirmed that they had complied with the Model Code during 2018.

DELEGATION TO MANAGEMENT

The Board has formalised the functions delegated to Senior Management and reviews such arrangements on a periodic basis. Senior Management is charged with the following responsibilities:

- implementing and reporting to the Board on the Company’s strategies;
- overseeing the realisation by the Company of the objectives set by the Board;
- providing all such information to the Board as is necessary to enable the Board to monitor the performance of Senior Management; and
- discharging duties and authorities as may be delegated by the Board.

Mr. Mark Lee Po On, Mr. Cheong Shin Keong and Mr. Thomas Hui To are the three Executive Directors on the Board and provide the necessary linkage between the Board and Senior Management.

BOARD COMMITTEES

The Board is supported by six Board Committees, namely:

- Executive Committee;
- Audit Committee;
- Risk Committee;

- Remuneration Committee;
- Nomination Committee; and
- Investment Committee.

Each of them has defined terms of reference covering its authority, duties and functions. The terms of reference of these six Committees are available on the website of the Stock Exchange (www.hkexnews.hk, "Exchange's Website") and the Corporate's Website.

The Company fully supports the Board Committees to perform their respective duties. The Board Committees, through their chairmen, report to the Board on their work, decisions and recommendations.

EXECUTIVE COMMITTEE

The Executive Committee has been delegated by the Board with the powers in the oversight of the management of the business and affairs of the Company. The terms of reference including the major roles and functions of the Executive Committee is set out in the Corporate's Website.

COMPOSITION AND WORK DONE

The Executive Committee comprises five members and its membership is set out in the table on page 98 of this CG Report.

During 2018, the Executive Committee held a total of twenty-five meetings which dealt with, inter-alia, the following matters:

- reviewed the Group's management accounts and interim and final reporting packages and budgetary information;
- reviewed the Group's cash position and treasury function at its regular meetings;
- reviewed the investment policies and the yield enhancement measures taken on the cash balances and the investment portfolio;
- made recommendations to the Board for dividends;
- approved the investment in SMI bonds;

- considered and approved of financial commitments or undertakings whether capital or operating expenditure over the amount of HK\$20 million; and
- considered and approved other Group's routine corporate matters, such as enforcement actions and general banking matters.

AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities in independently reviewing and supervising the financial reporting and the effectiveness of the system of internal controls of the Company and its subsidiaries; reviewing the objectivity and the effectiveness of the audit process in accordance with applicable standards; and reviewing the appointment of external auditor and ensuring its independence. The terms of reference including the major roles and functions of the Audit Committee is set out in the Corporate's Website.

COMPOSITION AND WORK DONE

The Audit Committee has four members, the majority of whom are Independent Non-executive Directors of the Company and is chaired by an Independent Non-executive Director. Most of the members are experienced in reviewing and analysing financial information and possess appropriate accounting and related financial management expertise. Therefore, the Company complies with the requirement under Rule 3.21 of the Listing Rules. Membership of the Audit Committee is set out in the table on page 98.

During 2018, the Audit Committee held three meetings and dealt with, inter-alia, the following matters:

- reviewed accounting principles and practices;
- reviewed developments in the accounting standards and assessed their potential impacts on the financial statements of the Company;
- reviewed draft financial statements and results announcements;
- reviewed draft interim and annual reports;
- considered the proposed scope and approach of the external audit;

CORPORATE GOVERNANCE REPORT

- reviewed and discussed audit findings and significant issues;
- reviewed the adequacy and effectiveness of the Group's system of internal controls;
- made recommendation to the Board regarding appointment and remuneration of the external auditor;
- reviewed the continuing connected transactions entered into by the Company; and
- received the Review of Risk Management and Internal Control Report prepared by Internal Audit and considered and discussed the macro risks faced by the Company and the appropriate mitigating measures.

During 2018, the Audit Committee reviewed with Management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the interim financial information and the annual consolidated financial statements before such statements were presented to the Board for approval.

PricewaterhouseCoopers is the external auditor of the Company. As required under the CG Code, the Audit Committee held a meeting with PricewaterhouseCoopers, in the absence of Management, to discuss matters relevant to the audit. No matter of significance arose from this meeting.

The reporting responsibilities of PricewaterhouseCoopers, are set out in the Independent Auditor's Report on pages 117 to 123 of this Annual Report.

WHISTLEBLOWING POLICY

The whistleblowing policy and procedures have been established by the Board since 2012 to allow employees of the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in financial reporting, internal control or other matters. These procedures are also available to external parties who deal with the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company. During 2018, no matters were raised by employees or external parties to the Audit Committee under the whistleblowing procedures.

RISK MANAGEMENT AND INTERNAL CONTROLS

RESPONSIBILITY

The Board acknowledges that it has overall responsibility in establishing an appropriate risk management and internal control systems on an ongoing basis, and reviewing their effectiveness from time to time to enhance the Group's ability in achieving its strategic objectives, safeguarding assets, complying with applicable laws and regulations and contributing to the effectiveness and efficiency of its operations. The Group's risk management and internal control systems are designed to provide reasonable, rather than absolute, assurance against material misstatement or loss and manage rather than eliminate the risks of failure in operational systems and fulfillment of its business objectives.

RISK MANAGEMENT

The Risk Committee is delegated by the Board to oversee and manage all identified major business and operational risks on an ongoing basis (including ESG-related risks). During the 2018, the Risk Committee met twice to discuss strategic and major operational risks faced by the Group and the related mitigation action plans. The major roles and functions of the Risk Committee are set out in "Risk Committee" section on page 106.

RISK MANAGEMENT PROCESS AND APPROACH

The risk management process of the Group involves risk identification, analysis, evaluation, estimation, mitigation, reporting and monitoring. The methodology adopted in risk identification and assessment process involves top-down and bottom-up approaches. The top-down approach involves identification of major strategic risks that will prevent the Group from achieving its strategic objectives. To identify major risks, a risk universe containing different types of strategic, operational, compliance and financial risks is created. Through a risk filtering process and risk assessment interviews with senior management and key business heads, major risks are identified for reporting and monitoring. At functional level, a bottom-up approach with involvement of all key business units is adopted to identify operational risks in daily operations.

ANNUAL REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

During the year, the Board, through the Audit Committee, had conducted a review of effectiveness of the Group's risk management and internal control systems, covering all material financial, operational and compliance controls, and assessed the adequacy of resources, qualification and experience of staff of the Group's accounting, financial reporting and internal audit function, and their training programmes and budget ("Review").

A project team was set up during the year to facilitate the Review. This Review was performed by way of risk assessment interviews with senior management to evaluate major strategic risks faced by the Group and the related mitigation actions. In addition, detailed risk and control self-assessment were conducted by the heads of all key business units to assess whether the design and functioning of these control systems at operational level are sufficient to mitigate the operational risks identified.

Based on the outcome of the Review, the Board is satisfied that the Group has established and maintains appropriate and effective risk management and internal control systems.

INTERNAL AUDIT AND MONITORING CONTROLS

The Group advocates the principle of maintaining good corporate governance and the importance of creating the right tone in the organisation, influencing control consciousness of its employees, with emphasis on factors such as integrity, ethical values, competence, responsibility and authority.

To assist the Board in its monitoring control function, an internal audit department ("Internal Audit") was set up in 2008 to provide an independent appraisal and assurance of its internal governance process, effectiveness of the risk management framework, methodology, together with the control activities in the Group's business operations. To preserve the independence of the internal audit function, the Head of Internal Audit reports directly to the Audit Committee on audit matters. Other key principles, including the principles of accountability and

objectivity, under which Internal Audit is refrained from involving in daily operations being audited, have been firmly established in the Group's Internal Audit Charter approved by the Audit Committee.

Internal Audit performed its independent reviews of different financial, business and functional operations and activities using a risk based approach to focus on areas of major risks as identified by a comprehensive risk analysis. Division or department heads and the management concerned will be notified of all control deficiencies for rectification within a set time frame.

Other Key Elements of Risk Management and Internal Controls

The other key elements and processes that have been established by the Group to provide effective risk management and internal control systems include:

- Clear organisation structure with well-defined lines of responsibilities from the Board to Board Committees, management and the heads of operating subsidiaries/divisions are established.
- Policies and procedures are established for business operations of the Group to facilitate ongoing identification of emerging risk events, define appropriate risk responses and contain risks within the Group's risk appetite.
- Comprehensive monthly management reporting systems are in place to provide financial and operational performance data to management. Variances from targets are analysed, explained and improvement actions are taken, if necessary, to rectify deficiencies.
- All employees of the Group can file their complaints about material risk issues, transactions or improprieties directly to the Audit Committee pursuant to the whistle-blowing procedure. This whistle-blowing procedure is independent of management.
- All employees are bound by TVB Code of Ethics to keep inside information in strict confidence and are not permitted to disclose it without authorization. All employees are also refrained from accepting personal benefits through their power and authority derived from their positions.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

Management performs a review of the remuneration to the Group's auditors on an annual basis. The fees for audit and non-audit services have been reviewed and approved by the Audit Committee and endorsed by the Board. The fees for audit and non-audit services charged to the consolidated income statement of the Group are set out as follows:

Fees for audit services

	2018 HK\$'000	2017 HK\$'000
Company	2,159	2,922
Subsidiaries	3,624	3,301
Total	5,783	6,223
Fees payable to PricewaterhouseCoopers, The principal auditor	4,928	5,488

Fees for non-audit services

	2018 HK\$'000	2017 HK\$'000
Company	614	900
Subsidiaries	2,087	2,261
Total	2,701	3,161
Fees payable to PricewaterhouseCoopers, The principal auditor (Note 1)	2,226	2,813

Note:

1 Non-audit services rendered to the Group by PricewaterhouseCoopers during 2018 included mainly professional tax consulting services performed by the tax department of PricewaterhouseCoopers, which is separate from the team responsible for the Group's audit.

The Audit Committee had reviewed the non-audit services rendered by PricewaterhouseCoopers, the principal auditor, during 2018 and considered that such non-audit services rendered to the Group did not impair its independence and objectivity.

RISK COMMITTEE

The Risk Committee is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving its strategic objectives, and in ensuring that the Company establishes and maintains sound, appropriate and effective risk management and internal controls systems. The terms of reference including the major duties and functions of Risk Committee is set out in the Corporate's Website.

Composition and work done

The Risk Committee comprises five members, the majority of whom are Independent Non-executive Directors of the Company. Membership of the Risk Committee is set out in the table on page 98.

The Risk Committee meets at least twice a year. Additional meetings may be held as the work of the Risk Committee demands. During 2018, the Risk Committee held two meetings and dealt with the following matters:

- Received a report from the Internal Audit Department of the Group on the key risks and the mitigation actions taken by Management, together with a presentation of the key risks in the form of a risk map. Through this report, the Risk Committee concurred with Management with the principal risks identified and the actions taken;
- Discussed data protection and cyber security measures across the Group and adequacy of current procedures; and
- Reviewed the interim and the full year ESG reports from the Sustainability Steering Group of Management and reviewed the progress made by Management on environmental, social and governance matters for the six months ended 30 June 2018 and the year ended 31 December 2018 respectively.

The attendance records of Directors at all Committee meetings in 2018 are set out in the table in this CG Report on page 99.

PRINCIPAL RISKS

The Group is facing a number of principal risks and uncertainties that, if not properly managed, could

create an exposure for the Group. Through discussions with Management, the following major risks have been identified and discussed at a Risk Committee meetings.

Principal Risks	Description	Key Mitigations
Strategic Risks	<ul style="list-style-type: none"> • Terrestrial television audience and advertising revenue in decline due to technological disruption. • Deteriorating sales performance in TVBI licensing business. TVB licensing income from pay television operators in the Southeast Asia have been under threat as the operators have been severely hit amid technological disruption. • Piracy activities seriously damaging TVB pay TV in overseas operations 	<ul style="list-style-type: none"> • To address the issue of loss of eyeballs, a second platform (myTV SUPER) was launched with more choices and selection of programmes and non-linear on-demand viewing services offered to TV viewers. • Rolled out myTV SUPER to overseas to grow our B2C business called TVB Anywhere. This allows TVB to distribute its programme contents directly to overseas subscribers in areas such as Southeast Asia, Europe, North America etc. • Working closely with local and overseas law enforcement authorities to combat piracy activities.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for formulating remuneration policy for Senior Management, making recommendations on annual remuneration review and determining remuneration of Executive Directors and members of Senior Management. The terms of reference including the major roles and functions of the Remuneration Committee is set out in the Corporate's Website.

THE REMUNERATION POLICIES

The key elements of the Group's remuneration policies are:

- remuneration should be set which is commensurate with pay levels in the market;
- remuneration should be able to attract and retain individuals with appropriate background, skills, knowledge and experience, relevant to the industry and the business; and

- no individual should determine his or her own remuneration.

COMPOSITION AND WORK DONE

The Remuneration Committee comprises three members, majority of whom are Independent Non-executive Directors of the Company, and its membership is set out in the table on page 98.

During 2018, the Remuneration Committee held two meetings which dealt with, inter-alia, the following matters:

- approved the grant of TVB Share Options to the Executive Directors and members of Senior Management;
- reviewed and approved the discretionary bonus pool to members of senior executives for 2018;
- reviewed and approved the specific discretionary bonus to members of Senior Management for 2018;

CORPORATE GOVERNANCE REPORT

- approved the salary increments to members of Senior Management for 2019;
- reviewed and approved the remuneration package to the Group Chief Executive Officer for 2019 to 2022; and
- reviewed the fee levels for Chairman, Vice Chairman, Directors and the Board Committees.

The Remuneration Committee determines, with delegated authority in the terms of reference, the remuneration packages of individual Executive Directors and members of Senior Management.

REMUNERATION OF DIRECTORS

All Directors are entitled to a fixed Director's fee which fee was recommended by the Remuneration Committee, determined by the Board and approved by Shareholders.

The Chairman of the Board who is a Non-executive Director is remunerated by a fixed Chairman's fee. The Vice Chairman of the Board who is a Non-executive Director is remunerated by a fixed Vice Chairman's fee.

The Executive Directors are remunerated by way of a fixed Director's fee, salaries and other incentives, such as discretionary bonuses (which are determined and approved in recognition of her/his performance and contributions to the Company), and they are not entitled to any additional fees for serving on the Board Committees.

The Non-executive Directors are remunerated by a fixed Director's fee and the Board Committee fees, if they also serve on those Committees.

Any increases in Chairman's fee, Vice Chairman's fee and/or Director's fee shall be recommended and proposed by the Board and approved by Shareholders at general meetings. Any increases in fees to the chairman or members of the Board Committees shall be approved by the Board.

The annual fee paid/payable to the Directors for serving on the Board and the additional annual fees paid to Non-executive Directors for serving on the Board Committees for the year ended 31 December

2018 and 2019 are set out below:

Individual Director serving ¹	2019 ³	2018
	Annual fees HK\$	Annual fees HK\$
Board of Directors		
Chairman	300,000	300,000
Vice Chairman	280,000	280,000
Executive and Non-executive Directors	260,000	260,000
Executive Committee		
Chairman	195,000	195,000
Members	150,000	150,000
Audit Committee		
Chairman	190,000	190,000
Members	130,000	130,000
Remuneration Committee		
Chairman	70,000	70,000
Members	55,000	55,000
Nomination Committee		
Chairman	70,000	70,000
Members	55,000	55,000
Risk Committee		
Chairman	70,000	70,000
Members	55,000	55,000
Investment Committee²		
Chairman	70,000	70,000
Members	55,000	55,000

Notes:

¹ Committee's fees will only pay to the member(s) who is/are not an ED.

² The Board noted the recommendation from the Remuneration Committee and approved a chairman's fee of HK\$70,000 per annum and a member's fee of HK\$55,000 per annum to the chairman and members of the Investment Committee retrospectively from 22 August 2018.

³ The Remuneration Committee and the Board decided to keep the existing fee level for 2019.

REMUNERATION OF SENIOR MANAGEMENT

Members of Senior Management are remunerated by way of salaries and other incentives, such as discretionary bonuses. The Remuneration Committee considers their performance and contribution to the Company as well as the market environment when assessing the annual bonus amounts for members of Senior Management.

NOMINATION COMMITTEE

The Nomination Committee is responsible for making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, and for determining the policy for nomination of Directors, the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship. The terms of reference including the major roles and functions of the Nomination Committee is set out in the Corporate's website.

COMPOSITION AND WORK DONE

The Nomination Committee comprises four members, the majority of whom are Independent Non-executive Directors of the Company, and its membership is set out in the table on page 98.

The Nomination Committee normally meets at least once a year. Additional meetings may be held as the work of the Nomination Committee demands.

During 2018, the Nomination Committee held one meeting which dealt with, inter-alia, the following matters:

- reviewed the Board composition;
- reviewed the independence of the INEDs; and
- reviewed and made recommendations to the Board the re-election of Directors at the 2018 AGM.

Pursuant to the recent Listing Rules amendment which took effect on 1 January 2019, the Board approved in December 2018 to amend the terms of reference of the Nomination Committee to undertake that it shall identify of individuals suitably qualified to become board members and select through the policy for nomination of Directors. The Company adopted the Nomination of Directors Policy in December 2018. The full text of the Nomination of Directors Policy is set out on page 114 of this annual report.

NOMINATION OF DIRECTORS

For considering the appointment of directors, the Nomination Committee identifies individuals suitably qualified to become board members and select through the policy for nomination of Directors, including the nomination procedures and criteria for selection and diversity policy, or make recommendations to the board on the selection of individuals nominated for directorship.

The Nomination Committee makes reference to criteria including, inter-alia, reputation for integrity, accomplishment and experience in the industry, time commitment, relevant interest, diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and independence (for INED only) in assessing the suitability of a proposed candidate.

REVIEW OF THE BOARD COMPOSITION

Pursuant to the terms of reference of the Nomination Committee, the Nomination Committee shall give adequate consideration to the following principles in carrying out its responsibilities in reviewing the Board composition:

- The Board should have a balance of skills, and experience and diversity of perspectives appropriate to the requirements of the Company's business. It should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of Executive and Non-executive Directors (including INEDs) so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-executive Directors should be of sufficient calibre and number in order for their views to carry weight.

CORPORATE GOVERNANCE REPORT

- There should be a formal, considered and transparent procedure for the appointment of new directors. There should be plans in place for orderly succession for appointments. All directors should be subject to re-election at regular intervals. The Company must explain the reasons for the resignation or removal of any director.

The Nomination Committee has considered the said principles when reviewing the Board composition. It has also considered the diversity of the Board and considered that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

INVESTMENT COMMITTEE

The Investment Committee was established on 22 August 2018 for the purposes of review the Company's portfolio of marketable securities and monitor its performance on a regular basis. The terms of reference including the major roles and functions of the Investment Committee is set out in the Corporate's Website.

COMPOSITION AND WORK DONE

The Investment Committee comprises four members with Independent Non-executive Director, Non-executive Director, Executive Director and Chief Financial Officer, and its membership is set out in the table on page 98.

The Investment Committee normally meets four times a year. Additional meetings may be held as the work of the Investment Committee demands.

During 2018, the Investment Committee held three meetings which dealt with, inter-alia, the following matters:

- reviewed the bond portfolio of the Company;
- reviewed and revised the treasury management guidelines;
- selected investment manager for the Company's investment portfolio; and
- reviewed the report from investment manager for the Company's investment portfolio and reported to the Board.

CORPORATE COMMUNICATION

DISCLOSURE OF INFORMATION

The Company adopted a policy of disclosing relevant information to shareholders and the public in a timely manner:

- the Company makes announcements pursuant to the requirements of the Listing Rules on the Exchange's Website and the Corporate's Website;
- the Company maintains a library of corporate information, including announcements, circulars and financial reports at its Website for reference purpose;
- the Company provides a forum at the annual general meetings for shareholders to meet and communicate with management; and
- reports and circulars are distributed to all registered shareholders.

The Board is vested with the responsibility to disseminate to shareholders and the public any inside information in the form of announcements and circulars, in accordance with the Listing Rules.

The Company maintained a Corporate's Website namely, www.corporate.tvb.com to provide a modern search engine for the news and information of the Company and its subsidiaries.

GENERAL MEETINGS

Proceedings of annual general meetings and other general meetings are reviewed periodically to ensure that the Company follows the CG Code.

Pursuant to the Listing Rules, notice of annual general meeting is sent to all shareholders at least 20 clear business days before the meeting, and at least 10 clear business days for all other general meetings setting out details of each proposed resolution, poll procedures and other relevant information.

Voting by poll is mandatory at all general meetings except where the chairman of a general meeting, in good faith, decides to allow a resolution which purely relates to a procedural and administrative matter (as defined under the Listing Rules) to be voted on by a show of hand.

The chairman of a general meeting shall ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll. Poll results are released on the Exchange's website and the Corporate's Website, in accordance with the requirements under the Listing Rules.

Separate resolutions are proposed for each substantially separate issue and are voted by poll at the general meetings. The Chairman of the Board shall attend the annual general meeting and shall invite the chairman of the Board Committees to attend and they should be available to answer questions at the meeting.

Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Management of the Company shall ensure the external auditor attends the annual general meeting to answer the questions about the audit.

RELATIONSHIPS WITH SHAREHOLDERS

The Board is committed to maintaining a high degree of corporate transparency, as well as employing a policy of open communication with shareholders. The Company ensures that information is appropriately disseminated to shareholders on a timely basis in compliance with the Listing Rules.

At the Company's annual general meetings, shareholders are provided with an opportunity to communicate face-to-face with the Directors, reflecting the Board's commitment to provide a high degree of accountability. At semi-annual results briefing sessions following the release of results, Senior Management presents and discusses with securities analysts the Company's financial performance and business strategies.

There was no change to the Company's constitutional documents during 2018.

The Company has designated the Head of Investor Relations to provide a two-way communication between management and the investment community to update investors and analysts on business strategies and developments, as well as to collect market feedback and opinion. Such

communication would include face-to-face meetings at the Company's premises or at investment conferences organized by investment banks in Hong Kong or abroad and/or conference calls. In addition, the Company had initiated non-deal roadshows to build a two way communications with a wider investor group. Other officers of the Company may participate in meetings to further strengthen the market's understanding of the Company's businesses.

The Company has assigned an email account ir@tvb.com.hk for communication with shareholders. Furthermore, the Company keeps its website www.corporate.tvb.com up-to-date with press releases and announcements for easy access by shareholders.

2018 ANNUAL GENERAL MEETING

The 2018 AGM was held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Wednesday, 23 May 2018 at 4:00 p.m. All Directors attended the 2018 AGM. The total number of shares entitling the holders to attend and vote on all of the resolutions at the AGM was 317,102,884 shares, representing approximately 72.4% of the total number of shares of the Company.

The matters resolved at the 2018 AGM were as follows:

- To receive and adopt the Audited Financial Statements and the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2017;
- To declare final and special dividends for the year ended 31 December 2017;
- To re-elect the following retiring Directors Mr. Cheong Shin Keong, Mr. Thomas Hui To, Mr. Anthony Lee Hsien Pin, Mr. Chen Wen Chi, Dr. William Lo Wing Yan, Professor Caroline Wang Chia-Ling, Dr. Allan Zeman by separate resolutions;
- To approve the Chairman's fee;
- To approve the Vice Chairman's fee;
- To approve an increase in Director's fee;
- To re-appoint PricewaterhouseCoopers as the auditor of the Company and authorise Directors to fix its remuneration;

CORPORATE GOVERNANCE REPORT

- To grant a general mandate to Directors to issue 10% additional shares;
- To grant a general mandate to Directors to repurchase 10% issued shares;
- To extend the authority given to the Directors under resolution to shares repurchased under the authority under resolution to general mandate; and
- To extend the book close period from 30 days to 60 days.

2019 ANNUAL GENERAL MEETING

The 2019 AGM has been scheduled to take place at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Wednesday, 22 May 2019.

SHAREHOLDERS' RIGHTS

CONVENING GENERAL MEETING AND MAKING PROPOSALS AT SHAREHOLDERS MEETING

Pursuant to the Companies Ordinance, the procedures for shareholders of the Company ("Shareholders") to convene a general meeting other than annual general meeting ("EGM") and to make proposals at shareholders' meetings are set out below.

1. Shareholders holding at least 5% of the total voting rights of all the members having a right to vote at general meetings can send a written request to convene an EGM to the Company Secretary.
2. The written request must state the objects of the meeting, and must be signed by the Shareholders concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.
3. The request will be verified with the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board of Directors to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered shareholders. On the contrary,

if the request has been verified as not in order, the Shareholders concerned will be advised of this outcome and accordingly, no EGM will be convened as requested.

4. The notice period to be given to all the registered shareholders for consideration of the proposal raised by the Shareholders concerned at an EGM varies according to the nature of the proposal, as follows:
 - 14 days' notice in writing if the proposal constitutes an ordinary resolution or a special resolution of the Company.
 - 28 days' notice in writing if the proposal requires the serving of a special notice under the Companies Ordinance.

Proposals from Shareholders for convening an EGM and to make proposals at shareholders' meetings should be sent to the Company at its registered address or email to companysecretary@tvb.com.hk.

ENQUIRY

SHAREHOLDERS' COMMUNICATION POLICY AND COMMUNICATION CHANNELS

SHAREHOLDERS' COMMUNICATION POLICY

The Company has established a shareholders' communication policy for maintaining an ongoing dialogue with its Shareholders.

The Board reviews the Shareholders' Communication Policy on a regular basis to ensure its effectiveness and that it meets the best market practice. Full text of the Shareholders' Communication Policy is available on the Corporate's Website.

On behalf of the Board

Charles Chan Kwok Keung
Chairman

Hong Kong, 20 March 2019

**Television Broadcasts Limited
Dividend Policy**

- 1.1 The Company supports a policy to provide a steady dividend return to shareholders.
- 1.2 Dividend distribution to the Company's shareholders should be approved by its shareholders or Directors, where appropriate.
- 1.3 The Directors may from time to time declare and pay such interim dividends as appear to the Directors to be justified by the profits of the Company, on such dates and in respect of such periods as they think fit. The Directors may also declare and pay, half-yearly or at other suitable intervals as may be determined by them, any dividend which may be payable at a fixed rate if the Directors are of the opinion that the profits of the Company justify the payment.
- 1.4 The Directors may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company as they think fit, and the provisions of this Article as regards the powers and exemption from liability of the Directors as relate to the declaration and payment of interim dividends shall apply, mutatis mutandis, to the declaration and payment of all such special dividends.
- 1.5 No dividend shall be payable except out of the profits of the Company available for distribution.
- 1.6 The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

CORPORATE GOVERNANCE REPORT

Television Broadcasts Limited Nomination of Directors Policy

1. OBJECTIVE

- 1.1 The Nomination Committee of the Board of the Committee ("NC") shall nominate suitable candidates to the Board for appointment as directors of the Company ("Director(s)") to fill casual vacancies.
- 1.2 The NC may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed by the Board or re-appointed at a general meeting, or the number of casual vacancies to be filled.

2. SELECTION CRITERIA

- 2.1 The factors listed below would be used as reference by the NC in assessing the suitability of a proposed candidate.

- Reputation for integrity
- Accomplishment and experience in the Media and Entertainment industry
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The above factors are for reference only, and not meant to be exhaustive and decisive. The NC has the discretion to nominate any person, as it considers appropriate.

- 2.2 Serving more than 9 years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected.
- 2.3 Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election/re-election as a Director.
- 2.4 The NC may request candidates to provide additional information and documents, if considered necessary.

3. NOMINATION PROCEDURES

- 3.1 The Secretary of the NC shall present the biographical details of the candidates at a meeting of the NC, and invite nominations of candidates from Board members if any, for consideration by the NC prior to its meeting. The NC may also put forward candidates who are not nominated by Board members.
- 3.2 For filling a casual vacancy, the NC shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the NC shall make nominations to the Board for its consideration and recommendation.
- 3.3 Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
- 3.4 In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.
- 3.5 A shareholder can serve a notice to the Company Secretary within the lodgment period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the NC's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.
- 3.6 A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.
- 3.7 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.
- 3.8 As there may be more candidates than the vacancies available, and the "gross-vote" method will be used to determine who shall be elected as a Director, shareholder proposed resolutions shall therefore take the same form as the resolutions proposed for the candidates recommended by the Board.

4. CONFIDENTIALITY

Unless required by law or any regulatory authority, under no circumstances shall a member of the NC or a staff member of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the circular to shareholders, as the case may be, is issued. Following the issue of the circular, the NC or Company Secretary or other staff member of the Company approved by the NC may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

Television Broadcasts Limited Board Diversity Policy

1. PURPOSE

1.1 This Policy aims to set out the approach to achieve diversity on the Company's board of directors ("Board").

2. VISION

2.1 The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

3. POLICY STATEMENT

3.1 With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objective and its sustainable development. In designing of Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience and business experience. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

4. MEASURABLE OBJECTIVES

4.1 Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience and business experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender and age) will be disclosed in the Corporate Governance Report annually.

5. MONITORING AND REPORTING

5.1 The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

6. REVIEW OF THIS POLICY

6.1 The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

7. DISCLOSURE OF THIS POLICY

7.1 This Policy will be published on the Company's website for public information.

7.2 This Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives will be disclosed in the annual Corporate Governance Report.