

# CORPORATE GOVERNANCE REPORT

This Corporate Governance Report (“CG Report”) has been prepared in accordance with the requirements set out in 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 shareholders.

The Company has adopted its own code on corporate governance, the TVB Corporate Governance Code (“TVB CG Code”). The TVB CG Code summarises the corporate governance practices adopted by the Board. These practices are updated on a regular basis, and are in line with the requirements of the Listing Rules (including all code provisions and certain recommended best practices in the Corporate Governance Code (“CG Code”) as set out in Appendix 14 of the Listing Rules).

The Board monitors the Company’s adherence to the corporate governance practices.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company was in compliance with the code provisions of the CG Code during the year, save for A.6.7 of the CG Code that a Non-executive Director was not able to attend the 2015 AGM due to a prior engagement.

## 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. Specifically, resigned Directors and alternate Director, namely Dr. Chow Yei Ching, Ms. Cher Wang Hsiueh Hong and Dr. Allan Yap, have confirmed that they had complied with the Model Code from 1 January 2015 to their respective dates of resignation. New Independent Non-executive Directors appointed during the year, namely Dr. William Lo Wing Yan, Professor Caroline Wang Chia-Ling and Dr. Allan Zeman, and a new Non-executive Director appointed during the year, Mr. Thomas Hui To, have confirmed that they had complied with the Model Code from their respective dates of appointment to 31 December 2015. Further, Mr. Felix To Chi Hak who was appointed as a member of Senior Management during the year has confirmed that he had complied with the Model Code from his date of appointment to 31 December 2015.

## 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.

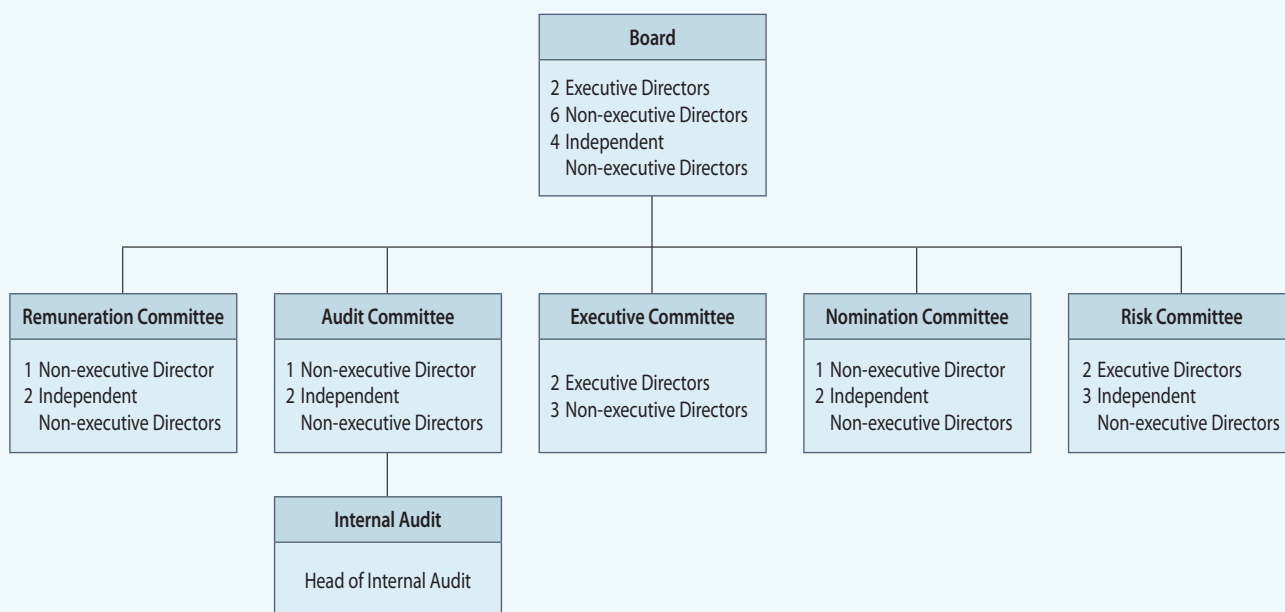
The Board is the highest governing body of the Company and is supported by five Board Committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Committee.

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.

# CORPORATE GOVERNANCE REPORT

## COMPOSITION OF THE BOARD AND ITS COMMITTEES

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



The composition of Board comprises a combination of Executive Directors and Non-executive Directors (including the Independent Non-executive Directors) which together gives the Board a balance of skills and experience appropriate for the requirements of the Company's business. The appointment of Non-executive Directors enables that there is an independent element at Board level, which enables the effective exercise of

independent judgement, and ensures that their views carry sufficient weight at meetings.

Biographical information of Directors are set out on pages 46 to 50 of this Annual Report.

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:



- On 1 January 2015, Dr. Charles Chan, a Non-executive Director of the Company, was appointed as the Chairman of the Board and the chairman of the Executive Committee. Mr. Cheong Shin Keong was appointed as an Executive Director of the Company and a member of the Executive Committee on the same day.
- On 11 February 2015, Dr. William Lo was appointed as an Independent Non-executive Director of the Company, a member and the chairman of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee. Further, Dr. Charles Chan was appointed as a member of the Remuneration Committee on the same day.
- On 1 March 2015, Dr. Chow Yei Ching resigned as an Independent Non-executive Director of the Company and ceased to act as the chairman of the Nomination Committee. Dr. Raymond Or was appointed as the chairman of the Nomination Committee on the same day.
- On 1 April 2015, Professor Caroline Wang and Dr. Allan Zeman were appointed as Independent Non-executive Directors of the Company.
- On 23 April 2015, Ms. Cher Wang ("Ms. Wang") resigned as a Non-executive Director of the Company and Mr. Thomas Hui was appointed as a Non-executive Director of the Company. Following

the resignation of Ms. Wang, Mr. Harvey Chang ("Mr. Chang") ceased to act as Alternate Director to Ms. Wang. On the same day, Mr. Chang was appointed as Alternate Director to Mr. Chen Wen Chi, a Non-executive Director of the Company.

- On 20 May 2015, each of Mr. Cheong Shin Keong, Dr. William Lo, Professor Caroline Wang, Dr. Allan Zeman and Mr. Thomas Hui, who held offices as Directors of the Company until the 2015 AGM, were successfully elected at that AGM. Ms. Mona Fong, Mr. Anthony Lee, and Mr. Chen Wen Chi, who retired at the 2015 AGM, were successfully re-elected as Directors at that AGM. Mr. Thomas Hui was appointed as a member of the Executive Committee on the same day.
- On 17 July 2015, Ms. Mona Fong resigned as a member of the Executive Committee.
- On 19 August 2015, the Risk Committee of the Board was established. Dr. Raymond Or, Dr. William Lo and Professor Caroline Wang, all Independent Non-executive Directors of the Company, and Mr. Mark Lee and Mr. Cheong Shin Keong, both Executive Directors of the Company, were appointed as members. Dr. Raymond Or was appointed as the chairman of the Risk Committee.
- On 29 December 2015, Dr. Allan Yap resigned as Alternate Director to Dr. Charles Chan, the Chairman and a Non-executive Director of the Company.
- On 23 March 2016, the Board resolved the appointment of Professor Caroline Wang as a member of the Audit Committee and Dr Allan Zeman as a member of the Nomination Committee, both with effect on 1 April 2016.

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.



# CORPORATE GOVERNANCE REPORT

Summarising, the memberships of the Board and its Committees are as follows:

Board of Directors	also serving:	Executive Committee	Audit Committee	Remuneration Committee	Nomination Committee	Risk Committee
<b>Chairman and Non-executive Director</b>						
Charles Chan Kwok Keung		Chairman	–	Member	–	–
<b>Executive Directors</b>						
Mark Lee Po On		Member	–	–	–	Member
Cheong Shin Keong		Member	–	–	–	Member
<b>Non-executive Directors</b>						
Mona Fong		–	–	–	–	–
Jonathan Milton Nelson		–	–	–	–	–
Anthony Lee Hsien Pin		–	Member	–	Member	–
Chen Wen Chi		Member	–	–	–	–
Thomas Hui To		Member	–	–	–	–
<b>Independent Non-executive Directors</b>						
Raymond Or Ching Fai		–	Member	Chairman	Chairman	Chairman
William Lo Wing Yan		–	Chairman	Member	Member	Member
Caroline Wang Chia-Ling		–	–	–	–	Member
Allan Zeman		–	–	–	–	–
<b>Alternate Directors</b>						
Harvey Chang Hsiao Wei		n/a	n/a	n/a	n/a	n/a
Alternate Director to Chen Wen Chi						
Jessica Huang Pouleur		n/a	n/a	n/a	n/a	n/a
Alternate Director to Jonathan Milton Nelson						

n/a: not applicable

## ATTENDANCE RECORDS OF DIRECTORS AT BOARD, COMMITTEE MEETINGS AND ANNUAL GENERAL MEETING

The attendance<sup>1</sup> records of Directors at the Board and its Committees' meetings and annual general meeting in 2015 are set out below:

Directors	Board meetings	Executive Committee meetings	Audit Committee meetings	Remuneration Committee meeting	Nomination Committee meetings	Risk Committee meeting	2015 AGM
Charles Chan Kwok Keung	6/6	6/6	–	0/1	–	–	1/1
Mark Lee Po On	6/6	6/6	–	–	–	1/1	1/1
Cheong Shin Keong (appointed on 1 January 2015)	6/6	6/6	–	–	–	1/1	1/1
Mona Fong	5/6	3/6 <sup>2</sup>	–	–	–	–	1/1
Jonathan Milton Nelson	1/6 <sup>3</sup>	–	–	–	–	–	0/1
Anthony Lee Hsien Pin	6/6	–	3/3	–	2/2	–	1/1
Chen Wen Chi	6/6	6/6	–	–	–	–	1/1
Thomas Hui To <sup>4</sup> (appointed on 23 April 2015)	4/6	2/6	–	–	–	–	1/1
Raymond Or Ching Fai	5/6	–	3/3	1/1	2/2	1/1	1/1
William Lo Wing Yan <sup>5</sup> (appointed on 11 February 2015)	5/6	–	3/3	1/1	2/2	1/1	1/1
Caroline Wang Chia-Ling <sup>6</sup> (appointed on 1 April 2015)	4/6	–	–	–	–	1/1	1/1
Allan Zeman <sup>7</sup> (appointed on 1 April 2015)	4/6	–	–	–	–	–	1/1
Alternate Directors	Board meetings	Executive Committee meetings	Audit Committee meetings	Remuneration Committee meeting	Nomination Committee meetings	Risk Committee meeting	2015 AGM
Harvey Chang Hsiao Wei (appointed as Alternate Director to Chen Wen Chi on 23 April 2015)	–	–	–	–	–	–	–
Jessica Huang Pouleur Alternate Director to Jonathan Milton Nelson	5/6 <sup>3</sup>	–	–	–	–	–	–
Resigned Directors	Board meetings	Executive Committee meetings	Audit Committee meetings	Remuneration Committee meeting	Nomination Committee meetings	Risk Committee meeting	2015 AGM
Chow Yei Ching <sup>8</sup> (resigned on 1 March 2015)	1/6	–	–	–	0/2	–	–
Cher Wang Hsiueh Hong (resigned on 23 April 2015)	0/6 <sup>9</sup>	–	–	–	–	–	–
Harvey Chang Hsiao Wei (resigned as Alternate Director to Cher Wang Hsiueh Hong on 23 April 2015)	2/6 <sup>9</sup>	–	–	–	–	–	–
Allan Yap (resigned as Alternate Director to Charles Chan Kwok Keung on 29 December 2015)	–	–	–	–	–	–	–



# CORPORATE GOVERNANCE REPORT

## Notes:

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

- 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 Ms. Mona Fong resigned as a member of the Executive Committee on 17 July 2015. Four Executive Committee meetings were held during 1 January 2015 and 16 July 2015, before the resignation as a member of the Executive Committee of Ms. Fong.
- 3 Six Board meetings were held for 2015, one of which was attended by Mr. Jonathan Milton Nelson in person and another five were attended by Mr. Nelson's alternate director.
- 4 Mr. Thomas Hui To was appointed as an Non-executive Director of the Company on 23 April 2015 and appointed as a member of the Executive Committee on 20 May 2015. Four Board meetings were held during 23 April 2015 and 31 December 2015, following the appointment of Mr. Hui as an Non-executive Director of the Company. Two Executive Committee meetings were held during 20 May 2015 (his appointment has been made after the meeting of the Executive Committee meeting on 20 May 2015) and 31 December 2015, following the appointment of Mr. Hui as a member of the Executive Committee.
- 5 Dr. William Lo Wing Yan was appointed as an Independent Non-executive Director of the Company on 11 February 2015. Five Board meetings were held during 11 February 2015 and 31 December 2015, following the appointment of Dr. Lo as an Independent Non-executive Director of the Company.
- 6 Professor Caroline Wang Chia-Ling was appointed as an Independent Non-executive Director of the Company on 1 April 2015. Four Board meetings were held during 1 April 2015 and 31 December 2015, following the appointment of Professor Wang as an Independent Non-executive Director of the Company.
- 7 Dr. Allan Zeman was appointed as an Independent Non-executive Director of the Company on 1 April 2015. Four Board meetings were held during 1 April 2015 and 31 December 2015, following the appointment of Dr. Zeman as an Independent Non-executive Director of the Company.
- 8 Dr. Chow Yei Ching resigned as a Non-executive Director of the Company on 1 March 2015 and he also ceased to act as the chairman of the Nomination Committee on the same day. One Board meeting was held during 1 January 2015 and 28 February 2015, and no Nomination Committee meeting was held before the resignation of Dr. Chow.
- 9 Ms. Cher Wang Hsiueh Hong resigned as a Non-executive Director of the Company on 23 April 2015. Two Board meetings were held during 1 January 2015 and 22 April 2015, before the resignation of Ms. Wang. These two Board meetings were attended by Ms. Wang's alternate director.

## 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 and of the conduct, business activities and development of the Company. Management provides monthly updates and other information to Directors 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 in respect of operational issues.

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

recent developments in rules and regulations, and other relevant topics. In August 2015, the Company tailor-made a training session on a number of topics, covering the Competition Ordinance; key changes to the Listing Rules in relation to risk management and internal controls; and key provisions of the Broadcasting Ordinance, especially the provisions in relation to Disqualified Persons. In addition, each Director was asked to provide to the Company a complete record of trainings he/she received from other sources 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;
- 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 2015, the Chairman of the Board, as required under the Listing Rules, held a meeting with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of the Executive Directors to discuss issues relevant to the Board.

All Directors (including the former Directors resigned during the year 2015 under the sub-heading of “Composition of the Board and its Committees” in this CG Report), have confirmed, following enquiry by the Chairman of the Board, that they had spent sufficient time in the affairs of the Company during 2015, and 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 Directors of the Company in their capacity as such.

## BOARD MEETINGS

The Board normally holds four regular meetings every year, and can hold additional meetings at such other times if considered necessary. During the year, a total of six Board meetings were held.

The attendance records of Directors at the Board and its Committee meetings in 2015 are set out in the table on page 67 of this CG Report.

## PROCEEDINGS OF THE BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Board holds meetings in person on scheduled dates which are communicated to Directors one year in advance. Notices of Board meetings are given to all Directors and 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 at which Directors can actively participate and hold informed discussions. All Directors are sent draft minutes of the previous meeting and asked to comment as appropriate within a reasonable time after the meetings to ensure that the minutes accurately reflect the discussions which took place and the decisions reached.

Pursuant to the Articles, a resolution-in-writing signed by all 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 a 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.

## 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.

# CORPORATE GOVERNANCE REPORT

## INDEPENDENT NON-EXECUTIVE DIRECTOR AND THEIR INDEPENDENCE

During the year, the Company announced the appointment of Dr. William Lo, Professor Caroline Wang and Dr. Allan Zeman as Independent Non-executive Directors of the Company, following the retirement and resignation of certain former Independent Non-executive Directors in 2014 and 2015. Upon the said appointments, the total of four Independent Non-executive Directors namely, Dr. Raymond Or, Dr. William Lo, Professor Caroline Wang and Dr. Allan Zeman have been appointed on the Board, which fulfills the requirements of the minimum number of three independent non-executive directors as prescribed under Rule 3.10(1) of the Listing Rules and represents one-third of the composition of the Board of Directors, as prescribed under Rule 3.10A of the Listing Rules. It is considered that most of the Independent Non-executive Directors possesses related financial management expertise.

Each of the Independent Non-executive Director of the Company and Dr. Chow Yei Ching (a former Independent Non-executive Director of the Company who resigned on 1 March 2015) has given the Company a confirmation of his/her independence for 2015. The Nomination Committee of the Board has reviewed, by reference to the guidelines set out in Rule 3.13 of the Listing Rules the independence of these Directors, and considered that they are independent.

During the year, the Independent Non-executive Directors of the Company provide an independent view to the Board as opposed to the Non-executive Directors and the Executive Directors. The Independent Non-executive Directors of the Company carried out a review of connected transactions of the Company.

## RELATIONSHIPS BETWEEN DIRECTORS

The Directors have no relationship (including financial, business, family or other material/relevant relationships) among themselves, and between the Chairman and the Group Chief Executive Officer, save for the fact that Dr. Charles Chan and Mr. Jonathan Nelson (as the CEO of Providence), together with other parties, are indirect shareholders of Shaw Brothers which holds 26% of the share 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.

The Company issues letter of appointment to document the key terms of appointment in writing for each Director. A set of "TVB Directors' Manual" containing the Articles, the TVB CG Code, Model Code and notification procedures, Terms of Reference of the respective Board Committees, and certain internal policies and rules update and guidelines issued by the regulatory and professional bodies in respect of their duties are provided to the Directors. The Company offers formal induction training to Directors upon their appointment.

Mr. Cheong Shin Keong, Dr. William Lo, Professor Caroline Wang, Dr. Allan Zeman and Mr. Thomas Hui, who were appointed by the Board as Directors in 2015 and held offices as Directors of the Company until the 2015 AGM, were successfully elected at the 2015 AGM. Ms. Mona Fong, Mr. Anthony Lee, and Mr. Chen Wen Chi, who retired at the 2015 AGM, were successfully re-elected as Directors at the 2015 AGM.

In accordance with Article 117(A) of the Articles, Dr. Raymond Or and Mr. Mark Lee will retire at the 2016 AGM and, being eligible, offer themselves for re-election at the 2016 AGM. Dr. Raymond Or and Mr. Mark Lee, who will retire at the 2016 AGM, have forwarded written notifications offering themselves for re-election at the 2016 AGM.

Details of the Directors, who are subject to retirement for re-election at the 2016 AGM, as required under the Listing Rules, are set out in the notice of the 2016 AGM which is sent together with this Annual Report to the 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, a Non-executive Director of the Company, was appointed as the Chairman of the Board on 1 January 2015. Dr. Chan provides leadership for the Board. He chairs the Board meetings and promotes a culture of openness to encourage all Directors to actively make contribution 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 consensus and the Board acts in the best interest of the Company.

Mr. Mark Lee, Executive Director and the 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 Company's strategies, overseeing the realisation by the Company of the objectives set by the Board, and providing all information to enable the Board to monitor the performance of Management. The re-titling of Mr. Mark Lee from Group General Manager to the Group Chief Executive Officer on 1 January 2015 gave a better description of the overall responsibilities taken up by him in the Group.

## THE BOARD COMMITTEES

The Board is supported by five Board Committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Committee. Each of them has defined terms of reference covering its authority, duties and functions. The terms of reference of these five Committees are available on the website of the Stock Exchange ("Exchange's website") and the website of the Company.

The Company provides sufficient resources to the Board Committees to perform their duties. The Board Committees report to the Board on their work, decisions and recommendations in a timely manner.

Major roles and functions, composition and operating mode of the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Committee of the Board are set out below.

## 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.

### MAJOR ROLES AND FUNCTIONS

The Executive Committee shall undertake the following duties:

- to monitor and review the implementation of the Group's strategic and investment plans;
- to monitor and review the organisation, business and personnel policies of the Group;
- to liaise and consult with other committees of the Board on all matters in relation to the businesses of the Group;
- to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- to work to the requirements that may from time-to-time be delegated by the Board or contained in the constitution of the Company.

### COMPOSITION

The Executive Committee comprises five members and its membership is set out in the table on page 66 of this CG Report.

### EXECUTIVE COMMITTEE MEETINGS

The Executive Committee normally meets once a month. Additional meetings may be held as the work of the Executive Committee demands.

During 2015, the Executive Committee held six meetings or by way of passing resolutions-in-writing which dealt with, inter-alia, the following matters:

- reviewed the Group's cash position and investment portfolio;
- made recommendation to the Board for dividend payments;
- examined the possible ways for yield enhancement on the Group's cash balance;
- approved the financial commitments or undertakings over the amount of HK\$10 million; and
- approved other Group's routine corporate matters.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE

The Audit Committee shall provide assistance to the Board in fulfilling its responsibilities to independently review and supervise on financial reporting and effectiveness of the system of internal controls of the Company and its subsidiaries; review objectivity and effectiveness of the audit process in accordance with applicable standards; and review the appointment of external auditor and ensure continuing auditor's independence.

## MAJOR ROLES AND FUNCTIONS

The Audit Committee is tasked with the following duties:

*In respect of relationship with the external auditor:*

- to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor and any questions of its resignation or dismissal;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to develop and implement policy on engaging the external auditor to supply non-audit services;
- to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- to act as the key representative body for overseeing the Company's relations with the external auditor;
- to meet with auditor, at least annually, in the absence of management, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditor may wish to raise;

*In respect of review of the Company's financial information:*

- to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial

reporting judgements contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on:

- any changes in accounting policies and practices;
  - major judgemental areas;
  - significant adjustments resulting from the audit;
  - the going concern assumptions and any qualifications;
  - compliance with accounting standards; and compliance with the Listing Rules and legal requirements in relation to financial reporting;
- regarding the last point mentioned above, members of the Committee should liaise with the Board and Senior Management; and the Committee must meet at least twice a year with the Company's auditor; and the Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;
  - to review the continuing connected transactions entered into by the Company and to report to the Board following the conclusion of such review, as required under the Listing Rules;

*In respect of oversight of the Company's financial reporting system, risk management and internal control systems:*

- to review the Company's financial controls and risk management and internal control;
- to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. Such discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- where an internal audit function exists, to ensure co-ordination between the internal and the external auditors, and to ensure that the internal

audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

- to review the Group's financial and accounting policies and practices;
- to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- to ensure the Board will provide a timely response to the issues raised in the external auditor's management letter;
- to report to the Board on the matters in these terms of reference;
- to consider other topics, as defined by the Board; and

#### *Others*

- to maintain a whistleblowing policy and system which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that such a whistleblowing policy and system are in place for fair and independent investigation of these matters and for appropriate follow up actions. The whistleblowing policy and system shall also enable those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Committee about possible improprieties in any matter related to the Company.

### COMPOSITION OF AUDIT COMMITTEE

The Audit Committee has three members, the majority of whom are Independent Non-executive Directors of the Company and is chaired by an Independent Non-executive Director. 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.

### AUDIT COMMITTEE MEETINGS

The Audit Committee normally meets three times a year. Additional meetings may be held as the work of the Audit Committee demands. During 2015, the Audit Committee held three meetings and dealt with, inter-alia, the following matters:

- reviewed the selected accounting principles and practices;
- reviewed developments in the accounting standards and assessed their potential impacts;
- reviewed draft financial statements and results announcements;
- reviewed draft interim and annual reports;
- considered the proposed scope and approach of the external audit;
- 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; and
- reviewed the continuing connected transactions entered into by the Company under the Listing Rules requirement.

During 2015, the Audit Committee has 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 annual consolidated financial statements before such statements were presented to the Board for approval.

The Audit Committee met with PricewaterhouseCoopers, the external auditor of the Company, in the absence of management, to discuss matters relating to its audit. The reporting responsibilities of PricewaterhouseCoopers, are set out in the Independent Auditor's Report on page 85 of this Annual Report.

### WHISTLEBLOWING POLICY

A whistleblowing policy and system has been established. Employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The whistleblowing policy and system shall also enable those who deal with the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company.

# CORPORATE GOVERNANCE REPORT

## FINANCIAL REPORTING AND AUDIT

The Board is responsible for presenting financial information of the Group in a clear, balanced and timely manner in the form of financial statements that give a true and fair view of the Group's state of affairs. The Board also carries out the responsibility to select the most appropriate accounting policies for the Group. In this regard, the Board has adopted the Hong Kong Financial Reporting Standards as promulgated by the Hong Kong Institute of Certified Public Accountants.

## RISK MANAGEMENT AND INTERNAL CONTROLS

### RESPONSIBILITY

The Board has overall responsibility for the Group's risk management and internal control systems. It is committed to maintaining a sound and effective risk management and internal control systems to safeguard the Group's assets and shareholders' interests, while the responsibility of day-to-day management of operational risks and implementation of remedial control measures rests with management and individual divisions, departments and offices.

### KEY CONTROL PROCESSES

A system of internal controls has been designed by management in safeguarding assets from unauthorised use or disposition, ensuring reliability of financial reporting, and ensuring effectiveness and efficiency of operation and compliance with applicable laws and regulations. This system of internal controls is, however, designed to provide reasonable, but not absolute, assurance of no material mis-statement or loss, to manage, rather than eliminate, risk of failure in operational systems, and to help achieve the Group's objectives.

The key internal control procedures that the Board established to provide effective internal controls include:

- establishment of a clear organisation structure with well-defined lines of responsibilities from the Board to Board Committees, management, and the heads of operating subsidiaries/divisions;
- documentation of a comprehensive set of internal control procedures covering all business operations of the Group;

- establishment of a comprehensive monthly management reporting system 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;
- regular monitoring and assessment of effectiveness of the system of internal controls by considering the reviews performed by the Audit Committee, management, internal auditors and external auditors, as appropriate; and
- adoption of TVB Code of Ethics governing the conduct of staff members and setting the standards of integrity and professionalism.

## MONITORING CONTROLS AND GROUP INTERNAL AUDIT

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") has been established 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 performs its independent reviews of different financial, business and functional operations and activities using a pro-active 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.

Major control deficiencies are brought to the attention of Senior Management and the Audit Committee on a regular basis and, if necessary, to the Board for remedial actions. Internal Audit has from time-to-time liaised and worked with relevant regulatory bodies with a view to enhancing its corporate governance and risk management and internal control systems, as well as protecting the Group's assets and shareholders' interests.

## REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board, through the Audit Committee, has conducted a review of the adequacy and the effectiveness of the Group's risk management and internal control systems for the year, covering financial, operational and compliance controls, together with risk management functions ("Control Review").

This Control Review was conducted by way of a risk and control self-assessment, whereby key business and operational risks identified in a comprehensive risk assessment survey were mapped to relevant control activities and procedures.

Evaluations were then performed to assess whether the design and functioning of these control activities are sufficient to mitigate the risks identified. Based on the outcome of the review, the Board is satisfied that the internal controls within the Group are functioning in a sound and effective manner to safeguard the Group's assets and shareholders' investment.

## 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

	2015 HK\$'000	2014 HK\$'000
Company (Note 1)	4,587	8,766
Subsidiaries	2,673	2,825
<b>Total</b>	<b>7,260</b>	<b>11,591</b>
Fees payable to PricewaterhouseCoopers, the principal auditor	6,536	10,875

### Fees for non-audit services

	2015 HK\$'000	2014 HK\$'000
Company	292	3,606
Subsidiaries (Note 2)	2,510	2,925
<b>Total</b>	<b>2,802</b>	<b>6,531</b>
Fees payable to PricewaterhouseCoopers, the principal auditor	2,378	6,085

Notes:

- <sup>1</sup> The amount included other audit related services of HK\$2,800,000 paid to PricewaterhouseCoopers in Hong Kong during the year.
- <sup>2</sup> Non-audit services rendered to the Company's subsidiaries by PricewaterhouseCoopers during 2015 mainly comprised professional tax consulting services. Such services were provided by the tax departments of PricewaterhouseCoopers in Hong Kong, which are 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 2015 and considered that such non-audit services rendered to the Group did not impair its independence and objectivity.

## 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.

## MAJOR ROLES AND FUNCTIONS

The Remuneration Committee shall undertake the following duties:

- to make recommendations to the Board on the Company's policy for the remunerations of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to determine, with delegated responsibility, the specific remuneration packages of all individual Executive Directors and members of Senior Management, which would include benefits in kind, pension rights; and any compensation payable for loss or termination of their office or appointment;
- to make recommendations to the Board on the remuneration of Non-executive Directors;
- to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group (including the Company and its subsidiaries);
- to review and approve the 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;



# CORPORATE GOVERNANCE REPORT

- to review and approve 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; and
- to ensure that no Director or any of his associates is involved in deciding his own remuneration.

## COMPOSITION

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 66.

## REMUNERATION COMMITTEE MEETINGS

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

During 2015, the Remuneration Committee held one meeting which dealt with, inter-alia, the following matters:

- reviewed and approved the discretionary bonus pool to members of Senior Management and senior executives for 2015;
- reviewed and approved the specific discretionary bonus to members of Senior Management for 2015;
- approved the salary increments to members of Senior Management for 2016;
- approved the remuneration package of the service contract of the Group Chief Executive Officer from February 2016 to January 2019; and
- reviewed the fee levels for 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.

## GROUP'S 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.

## 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 the shareholders.

The Chairman of the Board who is a Non-executive Director is remunerated by a fixed Chairman's fee. Such a fee had been approved by the shareholders of the Company at the 2015 AGM.

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

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

Any increases in Chairman's fee and/or Director's fee shall be recommended and proposed by the Board and approved by shareholders at annual 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 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 2015 are set out below:

Individual director serving	Annual fees for 2015 HK\$
<b>Board of Directors</b>	
Chairman of the Board	286,000
Executive and Non-executive Directors	220,000
<b>Executive Committee</b>	
Chairman	195,000
Members (who is not an Executive Director)	150,000
<b>Audit Committee</b>	
Chairman	170,000
Members	120,000
<b>Remuneration Committee</b>	
Chairman	70,000
Members	55,000
<b>Nomination Committee</b>	
Chairman	70,000
Members	55,000
<b>Risk Committee</b>	
Chairman	70,000
Members (who is not an Executive Director)	55,000

## REMUNERATION OF SENIOR MANAGEMENT

Members of Senior Management are remunerated by way of salaries and other incentive, such as discretionary bonus. The Remuneration Committee considers their performance and contribution to the Company 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 Committee to select and recommend candidates for directorship.

### MAJOR ROLES AND FUNCTIONS

The Nomination Committee shall undertake the following duties:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the

Board to complement the Company's corporate strategy;

- to identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorship;
- to assess the independence of Independent Non-executive Directors;
- 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 Managing Director; and
- to develop a policy on diversity of Board members, and should disclose the policy or a summary of the policy in the corporate governance report.

## COMPOSITION

The Nomination Committee comprises three members, the majority of whom are Independent Non-executive Directors of the Company and its membership is set out in the table on page 66.

## NOMINATION COMMITTEE MEETINGS

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

During 2015, the Nomination Committee held two meetings or by way of passing resolutions-in-writing which dealt with, inter-alia, the following matters:

- reviewed the Board composition;
- reviewed the independence of the Independent Non-executive Directors of the Company;
- reviewed and made recommendations to the Board the election and the re-election of Directors at the 2015 AGM; and
- reviewed the background and nominated the appointment of Directors of the Company.

## NOMINATION OF DIRECTORS

For considering the appointment of directors, the Nomination Committee makes reference to criteria including, inter-alia, reputation for integrity, background, accomplishment and extensive business experience in the commercial industry, time commitment, relevant interest, and independence (for Independent Non-executive Director only) to consider candidates are suitable to fill the said positions.

# CORPORATE GOVERNANCE REPORT

## 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 Independent Non-executive Directors) 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 for their views to carry weight.
- 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.

The Board has adopted a policy on board diversity ("Board Diversity Policy"). 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 in this CG Report on page 81 and is available on the Company's website.

## RISK COMMITTEE

The Risk Committee was established on 19 August 2015. It 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.

## MAJOR ROLES AND FUNCTIONS

The Risk Committee shall undertake the following duties:

- to consider the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;
- to consider the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and where applicable, the work of the Company's internal audit function and other assurance providers;
- to consider the extent and frequency of communication of monitoring results to the Board (or Board Committee(s)) which enables it to assess control of the Company and the effectiveness of risk management;
- to consider significant control failings or weaknesses that have been identified during the period of review and also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; and
- to consider the effectiveness of the Company's processes for financial reporting and the Listing Rules compliance.

## COMPOSITION

The Risk Committee comprises five members, the majority of whom are Independent Non-executive Directors of the Company, and its membership is set out in the table on page 66.

## COMMITTEE MEETING

The Risk Committee normally meets at least twice a year. Additional meetings may be held as the work of the Risk Committee demands. During 2015, the Risk Committee held its first meeting in November 2015 to discuss the key risks of the Group as identified by management.

## COMPANY SECRETARY

Mr. Adrian Mak holds the position of Company Secretary of the Company. He also serves as the CFO of the Company. Mr. Mak's biographical information can be found on page 51 of the annual report. Mr. Mak has confirmed that he has undertaken sufficient training, as required under Rule 3.29 of the Listing Rules, during the year.

## 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 Company'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 website namely, [www.corporate.tvb.com](http://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 on 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 website of Company, 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.

# CORPORATE GOVERNANCE REPORT

## 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.

The Company has designated key officers to provide a two-way communication between management and the investment community to update investors on business strategies and developments, as well as to collect market feedback and opinion. Such communication would include meetings and conference calls. Officers of the Company also participate in investor meetings, both in Hong Kong and abroad, organised by investment banks, to further strengthen the market's understanding of the Company's businesses.

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

## 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](mailto: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 set out in this CG Report on pages 82 to 83, and is available on the Company's website.

On behalf of the Board

**Charles Chan Kwok Keung**  
Chairman

Hong Kong, 23 March 2016



**TELEVISION BROADCASTS LIMITED**  
**("Company")**  
**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 A summary of 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.

# CORPORATE GOVERNANCE REPORT

## TELEVISION BROADCASTS LIMITED ("Company") SHAREHOLDERS' COMMUNICATION POLICY

### PURPOSE

1. The Shareholders' Communication Policy ("Policy") aims to set out the provisions with the objective of ensuring that the Company's Shareholders and the investment community are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance profile), in order to allow Shareholders and the investment community to engage actively with the Company.
2. For the purpose of this policy, references to the investment community is intended to include the Company's potential investors, as well as analysts reporting and analysing the Company's performance.

### GENERAL POLICY

3. The Board shall maintain an on-going dialogue with Shareholders and the investment community, and will regularly review this Policy to ensure its effectiveness.
4. Information shall be communicated to Shareholders and the investment community mainly through the Company's announcements and financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to The Stock Exchange of Hong Kong Limited ("Stock Exchange") and its corporate communications and other corporate publications on the Company's website.
5. Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times. Any question regarding this Policy shall be directed to the Company Secretary.

### COMMUNICATION STRATEGIES

#### Shareholders' enquiries

6. Shareholders should direct questions about their shareholdings to the Company's Registrar.
7. Shareholders and members of the investment community may at any time make a request for the Company's information to the extent such information is publicly available.
8. Shareholders and members of the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make enquiries in respect of the Company.

### CORPORATE COMMUNICATION\*

9. Corporate communication will be provided to Shareholders in plain language and in both English and Chinese to facilitate Shareholders' understanding.
  10. Shareholders and members of the investment community are encouraged to provide, amongst other things, their contact details and email addresses to the Company in order to facilitate timely and effective communications.
- \* Corporation Communication refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including, but not limited to, directors' report and annual accounts together with a copy of the auditor's report, interim report, notice of meeting, circular and proxy form.

### CORPORATE WEBSITE

11. Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes reports and financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents etc.
12. Press releases issued by the Company will be made available on the Company's website.

### SHAREHOLDERS' MEETINGS

13. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend such meetings.
14. Suitable transportation arrangements for attendance of the annual general meetings are in place to encourage participation.
15. The process of the Company's general meetings will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served.
16. Chairman of the Board, either the chairmen of the Board Committees or their delegates, and members of the Board, the Company's senior management and the Auditor will attend the annual general meetings to address any Shareholders' questions.

## **INVESTMENT MARKET COMMUNICATIONS**

17. Investor/analysts briefings and one-on-one meetings shall be arranged in order to facilitate communication between the Company, Shareholders and the investment community.
18. Company's Directors and employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to strictly comply with the relevant Company's policy.

## **SHAREHOLDER PRIVACY**

19. The Company recognises the importance of Shareholders' privacy and will not in any event disclose Shareholders' information without their consent, unless required to do so by law.

## **SHAREHOLDERS' COMMUNICATION CHANNELS**

### In relation to general shareholders' matters

Enquiries should be addressed to:

Address: Television Broadcasts Limited, TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong.  
Attention: Head of Investor Relations

Email: [ir@tvb.com.hk](mailto:ir@tvb.com.hk)

### In relation to share certificates and titles to Share Registrars and Transfer Office

Enquiries should be addressed to:

Address: Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Telephone: (852) 2862 8555

Fax: (852) 2865 0990/2529 6087

Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)