

HUAYI TENCENT ENTERTAINMENT COMPANY LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 419)

**Terms of Reference of the Nomination Committee
of the board of directors (the “Board”) of the Company**

1. CONSTITUTION

The Board of Huayi Tencent Entertainment Company Limited (the “Company”) has resolved to establish a Nomination Committee (“Nomination Committee”).

2. MEMBERSHIP

- a. The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than two members, a majority of whom shall be independent non-executive directors of the Company. A Director shall automatically cease to be a member of the Nomination Committee on ceasing to be a director of the Company.
- b. The Chairman of the Nomination Committee appointed by the Board must be a member of the Nomination Committee and the chairman of the Board or an independent non-executive director of the Company.
- c. The secretary of the Nomination Committee shall be the company secretary of the Company.
- d. The appointment of the members and secretary of the Nomination Committee may be revoked, or additional members may be appointed to the Nomination Committee by separate resolutions passed by the Board.

3. PROCEEDINGS OF THE NOMINATION COMMITTEE

3.1 Notice:

- a. Notice of any meetings of the Nomination Committee has to be given at least 14 days prior to any such meeting being held. Any member may waive any notice required to be given by law or under these terms of reference, and the attendance of a member at a meeting shall be deemed to be a waiver by such member. Any member of the Nomination Committee may, and the secretary to the Nomination Committee on the request of a member of the Nomination Committee shall, at any time summon a meeting of the Nomination Committee. Notice shall be given to each member

of the Nomination Committee by telephone, by email, by facsimile or any other electronic means at the telephone number, email address or facsimile number from time to time notified to the secretary by such member of the Nomination Committee or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.

- b. Notice of meeting shall state the place, date and time of the meeting.
- c. An agenda together with other documents which may be required to be considered by the members of the Nomination Committee for the purposes of the meeting shall be circulated to all members in a timely manner and at least 3 days before the intended date of the meeting.

3.2 Quorum:

The quorum of the Nomination Committee meeting shall be two (2). Any member of Nomination Committee may participate in a meeting by means of telephonic or other similar communication whereby all persons participating in the meeting can hear each other speak, and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and any member may be situated in any part of the world for any such meeting. The Chairman of Nomination Committee shall preside as chairman at every meeting of the Nomination Committee. In the absence of the Chairman, the members present may choose one of their members (another independent non-executive director) to be chairman of the meeting.

3.3 Frequency of meetings:

Meetings shall be held at least once every year.

4. WRITTEN RESOLUTIONS

A resolution signed by all the members of Nomination Committee shall be as valid as if it had been passed at a meeting of Nomination Committee.

5. ANNUAL GENERAL MEETING

The Chairman of the Nomination Committee shall attend the annual general meeting of the Company (“AGM”). If the Chairman of the Nomination Committee is unable to attend the AGM, another member of the Nomination Committee or failing this his duly appointed delegate, shall be available to answer questions at the AGM.

6. AUTHORITY

The Nomination Committee may exercise the following powers in order to perform its duties:

- a. to seek any information it requires from any employee of the Company (together with its subsidiaries from time to time);
- b. to access to independent professional advice if necessary at the Company's expense and be provided with sufficient resources to perform its duties.

7. DUTIES

The duties of the Nomination Committee shall include, without limitation:

- a. 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;
- b. to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- c. to assess the independence of independent non-executive directors of the Company ("INEDs");
- d. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive of the Board;
- e. to develop and maintain the policy for the nomination of director of the Company; the policy should include nomination procedures and the process and criteria to select and recommend candidates for directorship;
- f. to develop and maintain the board diversity policy¹ including any measurable objectives that the Board has set for implementing the policy and the progress on achieving the objectives;
- g. to ensure that time commitment is obtained from directors on their appointment and the expectations are met;
- h. to assist the Board to perform annual assessment of independence of the INEDs,

¹ the Exchange will not consider diversity to be achieved for a single gender board.

and

- i. to determine whether an INED who has served more than nine (9) years is still independent and should be re-elected, including the factors considered, the process and the discussion in arriving at such determination.

8. REPORTING PROCEDURES

The secretary of the Nomination Committee shall circulate all minutes of the meetings and written resolutions of the Nomination Committee to all members of the Board.

9. MINUTES AND RECORDS

- a. Full minutes of the meetings and written resolutions of the Nomination Committee should be kept by the secretary of the Nomination Committee.
- b. The secretary of the Nomination Committee shall circulate the draft and final versions of minutes of the meeting of the Nomination Committee to all members of the Nomination Committee for their comment and records respectively within a reasonable time after the meeting. The secretary of the Nomination Committee shall record individual attendance of members of the Nomination Committee, on a named basis, at meetings.

10. CONTINUING APPLICATIONS OF THE BYE-LAWS OF THE COMPANY

The bye-laws of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Nomination Committee.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.