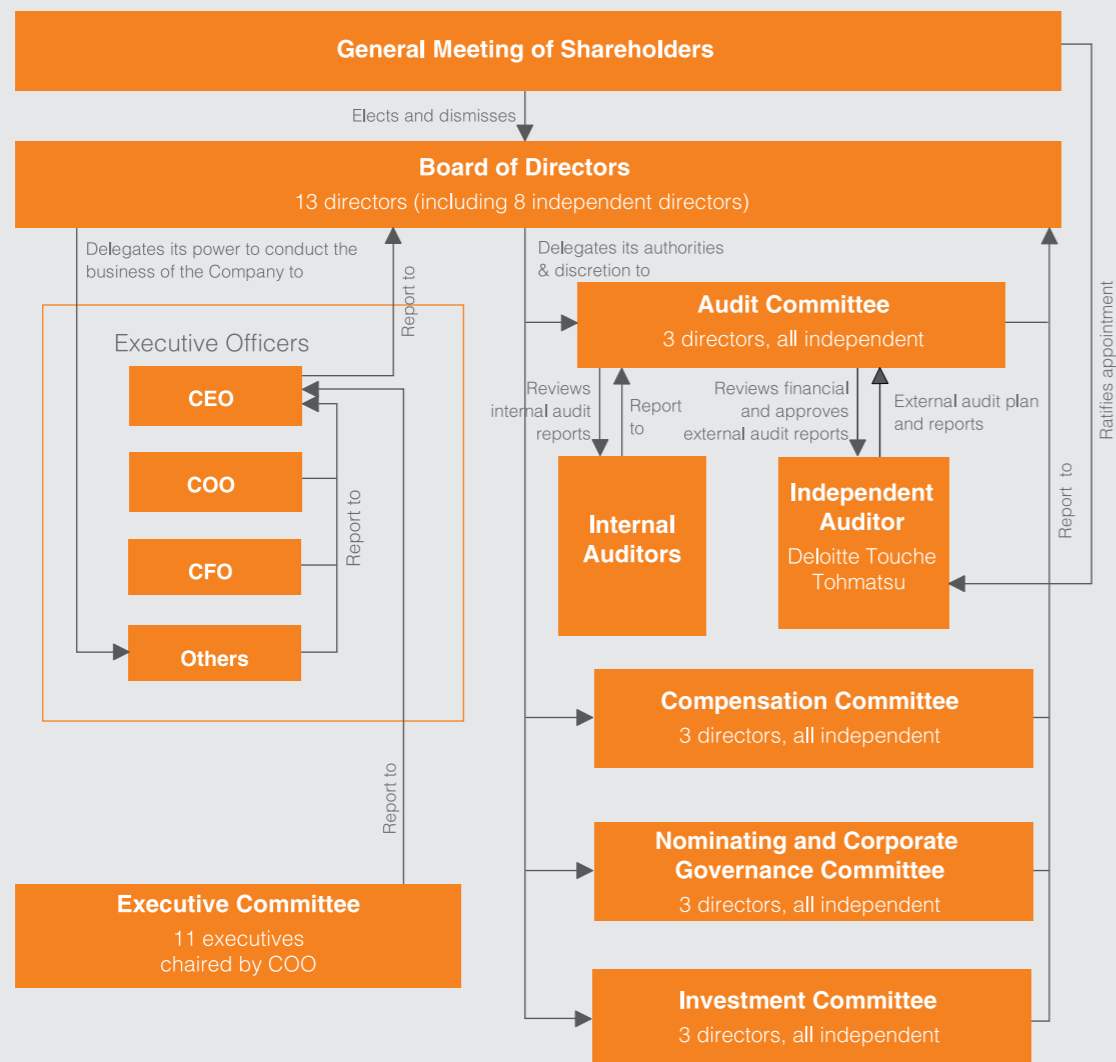


Corporate Governance

XFMedia is committed to best practice in all areas of business and especially in providing the highest standards of corporate governance for the interests of shareholders, employees, as well as the Company as a whole. In order to manage the Company in an efficient manner, the Board of Directors has delegated its powers, authorities and discretion to a number of committees, including the Compensation Committee, the Audit Committee, the Investment Committee and the Nominating and Corporate Governance Committee.



Corporate Governance (continued)

Audit Committee

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

Internal Audit

The mission of the Internal Audit activity of the Company is to provide independent, objective assurance and consulting services designed to add value and improve the operational control of the Company, and to bring a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control and governance processes.

Compensation Committee

The purpose of the Compensation Committee of the Board of the Company is (1) to discharge the Board's responsibilities relating to compensation of the Company's executives, including by designing (in consultation with management or the Board), recommending to the Board for approval, and evaluating the compensation plans, policies and programs of the Company and (2) to produce an annual statement on executive compensation for inclusion in the Company's annual report on Form 20-F in accordance with applicable rules and regulations. The Committee shall ensure that compensation programs are designed to encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company's shareholders.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee is to assist the Board in (1) identifying and nominating qualified candidates to become Board members; (2) developing and recommending to the Board a set of Corporate Governance Guidelines applicable to the Company; (3) overseeing the evaluation of the Board and management; and (4) monitoring of compliance with the Company's code of business conduct and ethics, including reviewing the adequacy and effectiveness of the Company's internal rules and procedures to ensure compliance with applicable laws and regulations.

Investment Committee

The mission of the Investment Committee is to review and approve merger and acquisition transactions and investment transactions proposed by Company's management valued in an amount not to exceed, for any particular acquisition or investment, USD5,000,000 in cash, stock or a combination thereof.