



## BOARD CHARTER

## 1. INTRODUCTION

The board of directors of Prime Media Group Limited (**Board**) has adopted this Board Charter to set out:

- the composition, role and responsibilities of the Board;
- the relationship and interaction between the Board and management;
- the authority delegated by the Board to management and Board Committees; and
- procedures aimed at ensuring the effective operation of the Board.

## 2. THE COMPOSITION, ROLE AND RESPONSIBILITIES OF THE BOARD

### 2.1 Composition of the Board

- Prime Media's Constitution provides for a minimum of three directors and a maximum of twelve directors.
- The Board (with input from the Remuneration and Nomination Committee) determines the size and composition of the Board.
- The policy of the Board is to structure its membership to provide a mix of qualifications, skills, experience, expertise and diversity to enable it to effectively discharge its responsibilities and to be of a size that facilitates effective discussion and is conducive to efficient decision-making.
- The Board will incorporate a variety of perspectives and represent the best interests of Prime Media as a whole rather than those of individual shareholders or interest groups. The Board will not be so large that effective decision-making is hindered.
- The Board will include independent directors.
- The Board will have a balance of non-executive and executive directors that is effective for the promotion of shareholder interests and the governance of Prime Media.
- The Board (with input from the Remuneration and Nomination Committee) will periodically review the qualifications, skills, experience, expertise and diversity represented by directors on the Board and determine whether those qualifications and skills, and that experience, expertise and diversity, remain appropriate to achieve Prime Media's strategy.

### 2.2 Director independence

- The Board considers an independent director to be a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.
- The Board will consider and conclude on the independence of its non-executive directors each year. Each non-executive director will provide the Board with all relevant information to enable the Board to make an assessment of that director's independence.
- Directors considered by the Board to be independent will be identified as such in Prime Media's corporate governance statement in its annual report.
- Any change to a director's independent status will be disclosed and explained to the market.

## 2.3 Tenure

It is the policy of the Board not to set an arbitrary limit on tenure. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of each director.

## 2.4 Role of the Board

The role of the Board is to:

- represent and promote the interests of shareholders by setting, overseeing and appraising Prime Media's strategies, policies, objectives and performance;
- protect and optimise Prime Media's performance and build sustainable value for shareholders within a framework of prudent and effective risk assessment and management;
- set Prime Media's values and standards of conduct and ensure that these are adhered to, in the interests of Prime Media's shareholders, employees, customers, suppliers and the communities in which Prime Media operates;
- ensure shareholders are informed of Prime Media's performance and major developments affecting its state of affairs; and
- ensure that the necessary financial and human resources are in place for Prime Media to meet its objectives.

## 2.5 Key responsibilities of the Board

The key responsibilities of the Board include:

- selecting, appointing and evaluating the performance of the Chief Executive Officer (**CEO**);
- determining the remuneration of the CEO (with input from the Remuneration and Nomination Committee);
- developing and reviewing Board and management succession planning on a regular and continuing basis (with input from the Remuneration and Nomination Committee);
- selecting, appointing and evaluating the performance of the Company Secretary;
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- approving, reviewing, and monitoring systems of risk management and internal control and ethical and legal compliance;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- developing and reviewing corporate governance principles and policies;
- setting the ethical tone and standards of Prime Media; and
- performing any other functions prescribed by law or assigned to the Board.

Subject to the limitations imposed by Prime Media's Constitution and the law, the Board remains free to alter its responsibilities.

### 3. CONDUCT OF DIRECTORS

- Directors shall at all times act honestly, fairly and ethically and discharge their duties in good faith and in the best interests of Prime Media as a whole.
- Directors shall not improperly use their position or misuse information of Prime Media.
- Directors will commit the time necessary to effectively discharge their role as a director. Directors will consider the number and nature of their directorships and calls on their time from other commitments.
- Directors are required to comply with the Prime Media Code of Conduct for Directors.
- Directors will strive to understand the perspective and contributions of other directors and will debate issues openly and constructively.
- Directors will use all reasonable endeavours to attend Board meetings and shareholder meetings. Members unable to attend a meeting must advise the Chairman and Company Secretary as soon as practicable.
- Each director shall commit to maintaining any non-public information about Prime Media (including information concerning Prime Media's customers, staff and operations) that the director is provided by or on behalf of Prime Media in strict and absolute confidence (unless a resolution of the Board has approved the dissemination of the information or the director is required by law to disclose the information).

### 4. BOARD MEETINGS

- The Board will meet regularly and intends to meet at least six times each year.
- A director may at any time request the Company Secretary to convene a meeting of the Board.
- The Company Secretary must distribute in advance of a meeting of the Board an agenda and any related papers to each member of the Board.
- The Company Secretary must prepare minutes of meetings of the Board and have them approved by the Chairman.
- Non-executive directors will periodically meet without executive directors or executive management present.

### 5. INDEPENDENT ADVICE

- The Board may obtain independent professional advice to assist with the proper exercise of its powers and discharge of its duties, with the cost to be borne by Prime Media.
- A director may also obtain independent professional advice to assist the director with the proper exercise of their powers and discharge of their duties.
- The costs of the independent professional advice obtained by a director are to be borne by Prime Media provided that before engaging the independent professional adviser, the director obtains the prior approval of the Chairman, or if the director is the Chairman, the prior approval of a majority of the non-executive directors of Prime Media.
- Unless the Chairman reasonably determines otherwise, any external advice obtained is to be made available to all directors.

## 6. BOARD EVALUATION

The Board will conduct an annual review and assessment of its performance, the performance of its committees and the performance of individual directors. The Chairman may engage an external consultant to assist with the evaluation and review of Board performance.

## 7. BOARD COMMITTEES

- The Board may from time to time establish committees to assist it in discharging its responsibilities.
- Each standing committee will adopt a formal charter setting out the matters relevant to the composition, responsibilities and administration of the committee.
- The standing committees of the Board are the Audit & Risk Committee and the Remuneration & Nomination Committee (collectively, the **Committees**). The Board may also delegate specific functions to ad hoc committees from time to time. The powers delegated to these committees will be set out in board resolutions.
- Each Committee will be composed of individuals the Board considers best suited to fulfil the role of each Committee. Each of the Committees will:
  - have at least three members; and
  - include at least one independent director (the Audit and Risk Committee will comprise only non-executive directors).
- The Committees will have access to adequate internal and external resources (including access to advice from external consultants or specialists) to carry out their activities.
- Ultimate responsibility for audit and risk, remuneration and nomination, rests with the full Board.

### ***Audit & Risk Committee***

The role of the Audit & Risk Committee includes assisting the Board with:

- Enterprise-wide risk management.
- Overseeing the adequacy of the controls established by management to identify and manage areas of potential risk and to safeguard the assets of Prime Media.
- Assessing the reliability and integrity of information for inclusion in Prime Media's financial statements.
- The appointment, reward, and performance of the external auditor and the integrity of the audit process as a whole.
- Ensuring compliance with legal and regulatory requirements.
- Assessing the CEO's compliance with the limits on their authority.

### ***Remuneration and Nomination Committee***

The role of the Remuneration and Nomination Committee includes assisting the Board with:

- Reviewing, assessing and making recommendations on the desirable competencies of Board members.

- Determining the appropriate mix of qualifications, skills, experience, expertise and diversity required on the Board and assessing the extent to which those qualifications and skills are, and that experience, expertise and diversity is, represented on the Board.
- Making recommendations on the appointment and re-election of directors.
- Developing and reviewing succession plans for the Board and management.
- Evaluating the performance of the Board, the Committees and the directors.
- Implementing a plan for identifying, assessing and enhancing director competencies.
- Reviewing and making recommendations on:
  - Prime Media's remuneration, recruitment, retention and termination policies and procedures for senior management;
  - Senior management remuneration and incentives;
  - Superannuation arrangements;
  - The remuneration framework for directors; and
  - Remuneration by gender.
- Reviewing and reporting (at least annually) on the relative proportion of women and men employed at all levels of the group of companies controlled by Prime Media.
- Identifying appropriate candidates for the membership of the Committees.
- To undertake the key functions set out in the Remuneration and Nomination Committee Charter.

## **8. CHAIRMAN**

The Board will appoint one of its members as Chairman. The roles of the Chairman and the CEO are strictly separated and must not be exercised by the same individual.

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functions and the role of the Chairman is to:

- chair meetings of the Board and of Prime Media's members;
- act as the Board's representative in relation to shareholders and to communicate the Board's position to shareholders as appropriate;
- provide appropriate leadership to the Board and Prime Media;
- ensure the efficient operation of the Board's functions;
- facilitate the effective contribution of all directors;
- promote constructive and respectful relations between Board members and between the Board and management;
- ensure that the Board fulfils its obligations under this Board Charter and under relevant legislation;
- review the agenda for each meeting;
- monitor Board performance; and

- report to the Board and committees of the Board as appropriate on decisions and actions taken between meetings of the Board.

## 9. Chief Executive Officer

The CEO is appointed by the Board. The role of the CEO is to:

- oversee the efficient and effective operation of Prime Media in accordance with Board-approved policies and procedures;
- satisfy the corporate and strategic objectives, plans and budgets approved by the Board;
- provide the Board with accurate, clear and timely information to allow effective decision-making by the Board; and
- bring to the attention of the Board and a Committee, any issues that fall within the Board's accountabilities or within the Committee's accountabilities and any other issue which the CEO considers should be brought to their attention.

## 10. COMPANY SECRETARY

The Company Secretary is appointed by the Board in accordance with the Prime Media Constitution.

The Company Secretary is responsible for:

- monitoring that Board policy and procedures are followed;
- co-ordinating the timely completion and despatch of Board agenda and briefing material;
- Board and Committee meeting minutes;
- communication with regulatory bodies and ASX, and all statutory and other filings; and
- acting as a contact person for communication and interaction between the Board and management.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

All directors will have access to the Company Secretary.

The appointment and removal of the Company Secretary is a matter for the Board. The Board may appoint a person as a temporary substitute for the Company Secretary and may appoint an additional Company Secretary.

## 11. RELATIONSHIP WITH MANAGEMENT

The CEO and management have responsibility for the day-to-day management of Prime Media; however, ultimate responsibility for strategy and oversight rests with the directors.

The CEO is accountable to the Board for the exercise of authority delegated to management. The CEO and management will report to the Board on the exercise of these powers as required by Board.

Management must supply the Board with information in a form, within a timeframe and of a quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Directors may delegate their powers as they consider appropriate. The Board is responsible for ensuring that powers and functions are in each case delegated in a responsible and appropriate manner, and any reports and information provided by management to the Board, are considered, as appropriate, by the Board.

**12. INCONSISTENCY WITH CONSTITUTION**

If there is any inconsistency between the Prime Media Constitution and this Board Charter, the Prime Media Constitution will prevail to the extent of the inconsistency.

**13. BOARD CHARTER REVIEW**

The Board will review and update this Board Charter at least every 2 years and will, if necessary or desirable, amend the Board Charter to ensure it remains consistent with the Board's objectives, current law and best practice.