



## REMUNERATION & NOMINATION COMMITTEE CHARTER

### 1. INTRODUCTION

The board of directors of Prime Media (**Board**) has established the Remuneration and Nomination Committee (**Committee**). The Board has adopted this Charter to set out the composition, role and responsibilities of the Committee.

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

#### 2.1 Composition of the Committee

The Committee will consist of a minimum of three members of the Board.

The Committee will include at least one independent director.

The Board Charter states:

*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 Chairman of the Committee will be elected annually by the members of the Committee. The office of Chairman of the Committee will not be occupied by the Chairman of the Board.

The Board may appoint additional directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

The Board will review the membership of the Committee at least once in each year. The Committee may make recommendations to the Board in relation to the Committee's membership.

#### 2.2 Role of the Committee

The role of the 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 Board 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 executive management.
  - Executive management remuneration and incentives.
  - Superannuation arrangements.
  - The remuneration framework for directors.

- 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 Board committees.

Many of the principles and procedures recorded in this Charter are expressed in a flexible and non-exhaustive manner. The Board and Committee believe that it is appropriate and necessary to adopt such an approach in order to respond to changing business circumstances, the needs of shareholders and external regulatory developments.

The Committee may delegate all or a portion of its responsibilities to a subcommittee of the Committee.

Ultimate responsibility for the practices of remuneration and nomination rests with the full Board.

### 2.3 Key responsibilities of the Committee

In the area of **nomination**, the key responsibilities of the Committee are to:

- review and make recommendations on the size and composition of the Board;
- review, assess and make recommendations on the desirable competencies of Board members;
- determine the appropriate mix of qualifications, skills, experience, expertise and diversity required on the Board and assess the extent to which those qualifications and skills are, and that experience, expertise and diversity is, represented on the Board;
- develop and review succession plans for the Board and executive and senior management;
- assist the Board to identify individuals who are qualified to become Board members;
- make recommendations on whether the Board should support the nomination of a candidate seeking election as a director;
- make recommendations on whether the Board should support the re-nomination of a director retiring in accordance with the provisions of the Prime Media Constitution or any other legal or regulatory requirements; and
- review and recommend to the Board membership of the Board committees.

In the area of **remuneration**, the key responsibilities of the Committee are to:

- Review and make recommendations on:
  - Prime Media's remuneration, recruitment, retention and termination policies and procedures for executive management;
  - executive management remuneration and incentives;
  - superannuation arrangements;
  - the remuneration framework for directors; and
  - remuneration by gender;
- Review the executive management performance assessment processes and results;
- Review and approve short term incentive strategies, performance targets and bonus payments;

- Review and make recommendations on the implementation of, or any major changes to, any employee equity incentive plans;
- Consider and make recommendations on all aspects of any equity incentive plans (including, but not limited to, the selection of eligible participants, the timing of any grant, the exercise price and performance hurdles);
- Oversee the operation of any equity incentive plans, including determining disputes and resolving questions of fact or interpretation;
- Provide the Board with sufficient information to ensure informed decision-making regarding remuneration;
- Review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001* (Cth) for inclusion in the annual directors' report; and
- Review and facilitate shareholder and other stakeholder engagement in relation to Prime Media's remuneration policies and practices.
- Other key responsibilities of the Committee are to:
  - implement a plan for identifying, assessing and enhancing director competencies;
  - assist the Board to evaluate the performance of the Board, the Board committees and the directors;
  - regularly review the time required from a non-executive director and report on whether the non-executive directors are meeting that requirement;
  - develop an effective induction for new directors and executive and senior management and an ongoing education program; and
  - review and report (at least annually) on the relative proportion of women and men employed at all levels of the group of companies controlled by Prime Media.

### **3. POLICY AND PROCEDURE FOR THE SELECTION AND APPOINTMENT OF NEW DIRECTORS**

The Committee shall periodically determine the appropriate mix of qualifications, skills, experience, expertise and diversity required on the Board and assess the extent to which those qualifications and skills are, and that experience, expertise and diversity is, represented on the Board

Following this assessment, the Committee may decide to implement a process for identifying suitable candidates for appointment to the Board.

The factors to be assessed when considering a potential candidate for appointment to the Board include:

- the skills, experience, expertise and personal qualities that will best complement the effective operation of the Board;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest and independence.

Detailed background information in relation to a potential candidate is to be provided to all directors.

The identification of potential director candidates may be assisted by the use of external recruitment agencies.

The Committee shall make recommendations to the Board on candidates it considers appropriate for appointment.

#### **4. THE ENDORSEMENT OF RETIRING DIRECTORS SEEKING RE-ELECTION**

The Committee shall inform the Board of the names of the non-executive directors who are retiring in accordance with the provisions of the Prime Media Constitution or any other legal or regulatory requirements.

The Committee will make recommendations to the Board as to whether the Board should support the re-nomination of a director retiring in accordance with the provisions of the Prime Media Constitution or any other legal or regulatory requirements.

In making such recommendations, the Committee will undertake a process of review of the retiring non-executive director's performance during the period in which the non-executive director has been a member of the Board. The Committee may conduct the review by whatever means it considers appropriate, including using external advisers and assessment of performance by colleagues.

A member of the Committee shall not participate in the review of their own performance.

#### **5. REMUNERATION POLICY OBJECTIVES**

In discharging its responsibilities, the Committee must have regard to the following remuneration policy objectives:

- to ensure Prime Media's remuneration structures are equitable and aligned with the long-term interests of Prime Media and its shareholders;
- to attract and retain skilled management;
- to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.

No director should be directly involved in determining their own remuneration.

- The Committee must have regard to and notify the Board of all legal and regulatory requirements, including any necessary shareholder approvals.
- The Committee chair, or if they are not available a Committee member, should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, Prime Media's remuneration arrangements.

#### **6. MEETINGS OF THE COMMITTEE**

The Committee will meet as often as the Committee members deem necessary in order for the Committee to fulfil its role. It is, however, intended that the Committee will ordinarily meet at least two times each year.

The quorum is two members of the Committee.

If the Chairman of the Committee is absent, the other members of the Committee must elect one of their number as chair for that meeting.

The Committee (or any member of the Committee) may invite any person to attend all or part of a meeting of the Committee.

Any member may, and the Company Secretary will upon request from any member of the Committee, convene a meeting of the Committee.

Notice of every meeting will be given to every member of the Committee at the member's advised address for service of notice. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Company Secretary will attend all Committee meetings to take minutes. After the minutes have been approved by the Chairman of the Committee, they will be presented at the next Board meeting. All minutes must be entered into a minute book maintained for that purpose. The minute book must be open at all times for inspection by any Director.

The Committee meeting agenda, papers and minutes will be included in the Board papers for the Board meeting which follows a meeting of the Committee.

The Chairman of the Committee will also, if requested, provide a brief oral report on any material matters arising out of a Committee meeting. All Directors will be permitted, during a Board meeting, to request information from the Chairman of the Committee or members of the Committee.

### **7. ACCESS TO RESOURCES AND INDEPENDENT ADVISERS**

The Committee will have access to adequate internal and external resources (including access to advice from external consultants or specialists) to carry out its activities.

The Committee may obtain information from, and consult with, management.

The Committee may obtain independent professional advice to assist with the proper exercise of its powers and discharge of its duties.

### **8. INCONSISTENCY WITH CONSTITUTION**

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

### **9. COMMITTEE CHARTER REVIEW**

The Board will review this Charter at least every 2 years and will, if necessary or desirable, amend the Charter.