

1. INTRODUCTION

The Board of Southern Cross Media Group Limited (**Company**) is responsible for the governance of the Company. This Charter sets out principles relating to the role, responsibilities, composition and proceedings of the Board, and delegation of authorities to Committees of the Board and the CEO.

2. ROLE AND RESPONSIBILITIES

2.1 Role

The Board's role is to act in the best interests of the Company:

- (a) representing and serving the interests of shareholders; and
- (b) guiding and monitoring the Company's values, strategies, policies and performance.

2.2 Responsibilities

To perform its role effectively, the Board is responsible for:

- (a) approving and monitoring implementation of the Company's strategic objectives, policies and budgets;
- (b) monitoring the Company's financial performance and operations, including approval of the annual and half year financial statements and reports;
- (c) approving major investments and monitoring the return on those investments;
- (d) appointing, determining the terms of appointment of, and removing the CEO and consulting with the CEO on the appointment, terms of appointment and removal of members of the Company's senior leadership team and the company secretary;
- (e) monitoring the performance and development of the CEO and the Company's senior leadership team;
- (f) overseeing the remuneration framework and succession planning for the CEO and the Company's senior leadership team;
- (g) approving the Company's risk management and internal control framework, monitoring the efficiency and effectiveness of that framework including the risk appetite within which the Board expects management to operate;
- (h) monitoring the Company's compliance with legal and regulatory requirements and ethical standards.

2.3 Other policies

The Board may establish other policies and practices to ensure that the Board is effective in performing its role and responsibilities.

2.4 Performance evaluation

The Chairman will lead an annual performance evaluation of the Board and its Committees and the governance processes that support them.

3. BOARD POWERS

3.1 Delegation to CEO

- (a) As permitted by the Company's Constitution, the Board has delegated to the CEO all powers and authorities required to manage and control the day to day operation of the Company, except those powers and authorities reserved to the Board as described in this Charter or delegated to one of the Board's Committees.
- (b) The CEO leads the Company's management and is therefore responsible to the Board for:
 - (i) managing and controlling the day to day operations of the Company in accordance with the strategic objectives, policies and budgets adopted by the Board; and
 - (ii) providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

3.2 Powers reserved to the Board

The following matters are reserved for the Board or its Committees:

- (a) appointing, determining the terms of appointment and removing the Chairman;
- (b) appointing, determining the terms of appointment and removing the CEO;
- (c) appointing a director to fill a vacancy or as an additional director;
- (d) establishing Board Committees, their composition, charters and authorities;
- (e) approving dividends and dividend policy;
- (f) changing the capital structure of the Company, including issuing equity, equity-like or debt instruments and entering into or re-financing debt facilities;
- (g) approving expenditure in excess of monetary authority levels delegated to the CEO;
- (h) convening meetings of shareholders;
- (i) the remuneration of non-executive directors (subject to limits approved by shareholders), the CEO and any executive director;
- (j) any change to the authority delegated by the Board to the CEO; and
- (k) any other matter specified by the Board from time to time.

4. BOARD COMPOSITION

4.1 Minimum number of directors

The Board will comprise at least three directors and no more than nine directors.

4.2 Composition

The Board will include a majority of independent non-executive directors will comprise directors with an appropriate balance of skills, perspectives, experience and expertise.

4.3 Appointment, election and re-election

- (a) The Board is assisted by the Nomination Committee in selecting candidates for appointment as a director. New directors are provided with a letter setting out the terms of their appointment and are invited to participate in an induction program and in any continuing education programs organised for the Board.
- (b) Directors are subject to election and re-election in accordance with the Company's Constitution and the ASX Listing Rules.
- (c) The Board will review the performance of the directors retiring by rotation and seeking re-election each year to inform the Board's recommendation to shareholders at the Annual General Meeting.

4.4 Independence

The Board will regularly assess the independence of its non-executive directors having regard to the definition of independence set out in the ASX Corporate Governance Principles. Each director must provide the Board with all relevant information for this to occur.

5. CHAIRMAN AND DEPUTY CHAIRMAN

5.1 Chairman

- (a) The directors will vote among themselves to elect the Chairman. The Chairman must be an independent non-executive director.
- (b) The Chairman leads the Board, fostering an open and collegiate culture to ensure the Board operates effectively. The Chairman is responsible for:
 - (i) promoting a constructive relationship between the Board and management through the CEO;
 - (ii) managing the efficient organisation and conduct of the Board's functions and meetings;
 - (iii) overseeing regular and effective evaluations of the Board's performance; and
 - (iv) exercising other powers delegated by the Board from time to time.

5.2 Deputy Chairman

- (a) The directors, if they consider it appropriate, will vote among themselves to elect a Deputy Chairman. Any Deputy Chairman so elected must be an independent non-executive director.
- (b) The Deputy Chairman chairs Board meetings when the Chairman is absent or otherwise not able to do so and provides other support as required by the Chairman.

6. COMMITTEES

6.1 Establishment of committees

- (a) The Board may establish one or more Committees, either as standing committee or on an ad hoc basis, to assist the Board in performance of its duties and responsibilities.
- (b) The Board will appoint as members of each Committee the directors or other people that the Board considers to be best suited to fulfil the role of the Committee.

6.2 Standing committees

- (a) The Board has established the following standing committees to assist the Board in performance of its duties and responsibilities:
 - (i) Audit & Risk Committee;
 - (ii) People & Culture Committee; and
 - (iii) Nomination Committee.
- (b) Each standing committee will operate under a charter approved by the Board setting out matters relevant to the Committee's composition, responsibilities and administration.

6.3 Role and authority of committees

Except as set out in the charter of a Committee or as otherwise authorised by the Board, each Committee will have responsibility for making recommendations to the Board and will not have authority to make decisions on behalf of the Board.

7. MEETINGS

7.1 Frequency

The Board will meet at least six times a year, with additional meetings as required to fulfil its responsibilities. In addition, the company secretary will call a meeting of the Board if requested to do so by any director.

7.2 Quorum

A quorum at any meeting of the Board consists of two directors.

7.3 Decisions

Matters will be decided by a majority of votes made by directors present at meetings. The Chairman does not have a casting vote.

7.4 Attendance by others

The Board may invite other persons to attend its meetings as it deems necessary.

7.5 Company secretary

The company secretary will act as secretary of the Board. The company secretary is accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board.

8. ACCESS TO INFORMATION AND ADVICE

8.1 Information from management

The Board may seek further information on any issue from management so that the Board may discharge its duties and responsibilities.

8.2 Independent advice

Directors may obtain independent professional advice at the Company's cost, subject to first discussing the request with the Chairman who will facilitate obtaining such advice and, where appropriate, will provide a copy of the advice to each of the other directors.

8.3 Meetings with management and auditors

The Board may at any time meet any member of management, the external auditor or the internal auditor (if applicable) in a separate session to discuss any matters that the Board, any member of management, external auditor or internal auditor (if applicable) considers should be discussed privately.

9. CHARTER REVIEW

The Board will review this Charter every two years after its adoption by the Board having regard to regulatory, community and investor requirements.