



## 1. PURPOSE

The purpose of this policy is to assist in aligning the interests of the senior executives of Southern Cross Media Group Limited (**Company**) with the financial interests of the Company's shareholders.

## 2. DEFINITIONS

The following definitions apply in this policy.

**Executive** means the Company's Chief Executive Officer and each executive who reports directly to the Chief Executive Officer.

**LTI Plan** means the Southern Cross Media Group Limited Long Term Incentive Plan.

**Share** means a fully paid ordinary share of the Company.

## 3. SHAREHOLDING REQUIREMENTS

### 3.1 Retention of LTI awards

- (a) Each Executive must retain from any award that vests under the LTI Plan:
  - (i) at least 25% of the number of Shares allocated to the Executive upon vesting of rights granted under the LTI Plan; and
  - (ii) at least 25% of the number of options that vest under the LTI Plan.

The requirement for Executives to retain at least 25% of any award that vests under the LTI Plan acknowledges that Executives will typically sell 50% of an award to satisfy their tax obligations.

- (b) An Executive may exercise any vested option that the Executive is required to retain in accordance with paragraph (a) and, in that case, the Executive must retain any Shares acquired by the Executive upon exercise of that option.

### 3.2 Prohibition on disposal of retained Shares and vested options

- (a) Except as permitted by this clause 3.2, an Executive must not dispose of any Share or vested option that the Executive is required to retain under paragraph **Error! Reference source not found.** for as long as the Executive is subject to this policy.
- (b) Subject to paragraph (c), an Executive may transfer any Share or vested option that the Executive is required to retain under paragraph **Error! Reference source not found.** to:
  - (i) an "associated entity" or "close associate" of the Executive, each as defined in the Corporations Act 2001 (Cth); or
  - (ii) a trust or a superannuation fund for the benefit of a person or entity referred to in paragraph 3.2(b)(i).

- (c) An Executive may only transfer a Share or vested option under paragraph (b) if:
- (i) the Executive has first given notice in writing to the Company Secretary (in substantially the form set out in appendix 2 to this policy);
  - (ii) the Company Secretary has given the Executive notice that the transfer is approved; and
  - (iii) any such transfer also complies with the Company's Securities Trading Policy.

This paragraph 3.2 applies equally to any Share or vested option held by a party to whom the Executive has transferred the Share or vested option in accordance with this paragraph (c).

- (d) The Company may apply a holding lock to any Share that an Executive is required to retain under paragraph **Error! Reference source not found.**, including any Share held by a party to whom the Executive has transferred any Share or vested option in accordance with paragraph (c).

#### **4. REPORTING BY EXECUTIVE**

At any time on request by the Company Secretary, an Executive must report to the Company Secretary on the Executive's ownership of Shares. The Company Secretary may table these reports with the Board and the Company may publish information about the Executive's interests in Shares as required by applicable laws or the ASX listing rules.

#### **5. RELATIONSHIP TO THE COMPANY'S SECURITIES TRADING POLICY**

Executives must comply with the Company's Securities Trading Policy in addition to any requirements of this policy. This includes a general prohibition on dealing in Shares during a blackout period under that policy.

#### **6. EXEMPTION FROM COMPLIANCE WITH THIS POLICY**

- (a) There may be circumstances in which compliance with this policy would cause or contribute to severe financial difficulty for an Executive or could prevent an Executive from complying with an order of the Family Court or another court.
- (b) In these circumstances, the Executive may submit a request to the Company Secretary (in substantially the form set out in appendix 2 to this policy) including details of the applicable financial difficulty or other exemption circumstances and the extent to which an exemption from the policy is sought.
- (c) The Company Secretary will review the request with the Chairman and Chief Executive Officer and they will decide whether and to what extent any exemption may be granted. In doing so they will consider the application of the Company's Securities Trading Policy and whether any related clearance to dispose of Shares should be granted under that policy.
- (d) If an exemption is granted in whole or in part, the Company Secretary will, in consultation with the Executive, develop an alternative Share ownership plan that reflects both the purpose of this policy and the Executive's individual circumstances.

**7. REVIEW OF POLICY**

This policy will be reviewed every two years after its adoption by the Board having regard to regulatory, community and investor requirements.

**Request by executive to transfer Shares  
(or for an exemption from compliance with the policy)**

This form is required to be submitted to the Company Secretary when an Executive covered by the Senior Executive Share Ownership Policy requests approval to dispose of Shares (or to be exempted from compliance with the policy).

Name:	Position:
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I request approval to dispose of ..... Shares in Southern Cross Media Group Limited.  
My interests in Shares at present and after the proposed disposal (or non-compliance) are as follows:

Registered holder	Relationship	Number of Shares	
		Before disposal	After any disposal
<b>Subtotal</b>			
<b>Executives only: Vested options under LTI Plan</b>			
<b>Total</b>			

Reasons for proposed disposal of Shares or exemption from compliance (including details of applicable financial difficulty or other exemption circumstances if, following the proposed disposal, the Executive's holding of Shares will not comply with the Shareholding requirements of Senior Executive Share Ownership Policy):

Signed: .....

Date: .....