SENIOR EXECUTIVE REMUNERATION FRAMEWORK

1. OVERVIEW

This Framework is designed to provide a formal, consistent and transparent framework that aligns executive remuneration arrangements with shareholder interests (both short and long term), while ensuring that remuneration remains competitive. This will enable the Company to attract and retain talented people, who are vital to delivering a sustainable and prosperous future, and therefore to achieve its strategic objectives and maximise shareholder value.

2. OBJECTIVE OF THE EXECUTIVE REMUNERATION FRAMEWORK

The Framework aims to ensure that reward for performance is competitive and appropriate for the results delivered. The Framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, consistent with market practice for delivery of reward. Executive reward will be aligned with:

- strategic objectives
- competitiveness and reasonableness
- expectations and interests of shareholders
- executive performance.

There will be a focus on:

- sustained growth
- consistent shareholder returns
- promoting diversity in the Company's workforce
- attracting and retaining high calibre executives.

The Framework will deliver:

- rewards for capability and experience
- a clear structure for earning reward
- recognition for contribution.

3. GUIDELINES FOR EXECUTIVE REMUNERATION

3.1 Gender neutrality

Using the Mercer International Position Evaluation (**IPE**) system, the Company aims to ensure that all employees are remunerated fairly for the work that they do. The Company uses the Mercer IPE system to evaluate roles and to compare the remuneration of individuals in similarly rated roles in the business. The Mercer IPE system considers the following factors associated with each role: impact, influence and contribution; communication and decision making; innovation; knowledge; team management; and risk.

Where practicable, action is taken promptly to address any pay gaps between males and females in the same role. Where this is not practicable, any such pay gaps will be progressively addressed in future recruitments and in annual reviews of remuneration.

The Mercer IPE system will be used to set remuneration bands for similarly rated roles to improve the consistency of remuneration practices throughout the business.

3.2 Executive tiers

This Framework applies to executives who are a member of the National Executive Team, as set out in the table below.

The National Executive Team includes the Company's Senior Leadership Team, which is made up of the Chief Executive Officer (**CEO**) and leadership executives reporting to the CEO, comprising the Chief Financial Officer, the Chief Operating Officer, the Chief Sales Officer, the Chief Content Officer, the Chief Technology Officer, the Chief Communications and Marketing Officer, and other leadership executives approved by the Board. These Leadership Executives are the Company's executive Key Management Personnel (**KMP**) for the purposes of Accounting Standard AASB 124 being those persons "having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company".

The executive roles included in the National Executive Team are reviewed annually having regard to the contribution and impact of each role in the Company's national executive structure. This includes consideration of the rating of executive roles under the Mercer IPE system.

Executive tier	Role
Leadership Executives	Chief Executive Officer Chief Financial Officer Chief Operating Officer Chief Sales Officer Chief Content Officer Chief Technology Officer Chief Communications and Marketing Officer
Management executives	Head of Hit Network Head of Triple M Network Head of Music, Triple M and Hit Networks National Head of Radio Sales Head of Digital Product and Innovation Head of Legal and Corporate Affairs

Executive tier	Role
	Executive General Manager, Queensland Executive General Manager, WA, SA & NT Executive General Manager, Victoria and Tasmania Executive General Manager, NSW General Manager, Sydney General Manager, Brisbane and Head of Sales, Queensland General Manager, Perth General Manager, Regional WA General Manager, Finance National Head of TV Sales Head of Audio Operations Head of Information Technology Services Head of Sales Platforms and Development Head of Research and Insights Head of News and Current Affairs Head of Commercial Finance Head of Strategy Head of Digital Content Head of Digital Commercial Head of Podcasting Head of Digital Audio Sales Head of Radio Sales, Melbourne Head of Sales, Adelaide, SA and NT Head of Sales, Perth and Western Australia People and Culture Operations Manager National Head of Strategy and Insights Senior National Marketing Manager Head of Revenue Operations

3.3 Components of executive remuneration

Remuneration packages for executives are set in accordance with the following considerations:

- **Composition**: Executive remuneration packages should include an appropriate balance of fixed remuneration and at-risk performance-based remuneration.

- **Base remuneration**: An executive’s base or fixed remuneration should be reasonable and fair, taking into account the Company’s obligations at law and labour market conditions, and should be relative to the scale of the Company’s business. It should reflect core performance requirements and expectations.

- **At-risk remuneration**: An executive’s at-risk remuneration should be linked to clearly specified personal and corporate performance targets. These targets should be aligned to the Company’s short and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite.

- **Equity-based remuneration:** Well-designed equity-based remuneration, including options or performance rights, is an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. Care needs to be taken in the design of equity-based remuneration schemes, however, to ensure that they do not lead to "short-termism" on the part of executives or the taking of undue risks. For this reason, disposal restrictions may be imposed on equity granted to executives.

- **Termination payments:** Termination payments, if any, for executives should be agreed in advance and the agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

Having regard to these considerations, remuneration packages for the Company's executives may include the following components.

- **Base**: An executive's base remuneration is a mix of cash salary and allowances (to be paid monthly), motor vehicle (where appropriate), car parking, and the provision of work related technology. The base includes the minimum superannuation contribution under the superannuation guarantee legislation.

- **At-risk**: An executive's at-risk remuneration may include one or more of a Short Term Incentive (**STI**) and a Long Term Incentive (**LTI**). The more senior the executive, the greater the at-risk component of remuneration should be.

- **Short Term Incentive**: An STI is an at-risk annual bonus linked to appropriate financial, operational and behavioural measures, payable within three months after the end of each financial year. Except as set out in this Framework, STI payments are made in cash.

- **Long Term Incentive**: An LTI is an at-risk equity-based performance incentive plan linked to hurdles that are aligned to the Company's longer-term performance objectives for executives. The objective of an LTI is to align the interests of executives and shareholders by encouraging executives to have some "skin in the game" by being rewarded for long term corporate performance and holding shares in the Company. Under the Company's Senior Executive Share Ownership Policy, Leadership Executives are required to accumulate a minimum shareholding. Unless they have already met that minimum shareholding requirement, Leadership Executives must retain while they remain employed by the Company 25% of the shares allocated to them on vesting of performance rights or options under the LTI plan.

- **Termination payments:** Termination periods are included in each employment contract. These are typically six months for Leadership Executives and three months for other executives. Executive employment contracts do not allow for payment for removal for misconduct.

3.4 Composition of executive remuneration

The table below summarises the typical composition of an executive's remuneration package. The remuneration package of all new executive appointments should adopt this composition. The remuneration package of incumbent executives in these roles whose remuneration package is differently structured should be adjusted to this structure over an appropriate transition period.

Executive tier	**FY2021**		
	Base	**STI**	**LTI**
Chief Executive Officer	40%	30%	30%
Leadership Executive	50%	30%	20%
Management Executive	70%	15%-20%	15%-10%

3.5 **External benchmarking**

The Company will perform external remuneration benchmarking for the Leadership Executives every 24 months, where appropriate.

4. SHORT TERM INCENTIVE PROGRAM

The key terms of the STI program are outlined below:

Key term	**Description**
What is the incentive?	The STI is an annual "at-risk" bonus designed to reward executives for meeting or exceeding financial and non-financial objectives.
How is each executive's entitlement determined?	Each executive is allocated a dollar value (which may be a fixed percentage of the executive's total remuneration) representing the executive's maximum STI opportunity for the year.
How is the incentive delivered?	STI awards for all executives other than Leadership Executives are paid in cash according to the extent of achievement of the applicable performance measures. No portion of an STI award is subject to deferral. The CEO's STI award is payable partly in cash and partly in equity. The equity component is 25% of the value of the total STI award. Other Leadership Executives' STI awards are payable partly in cash and partly in equity. The equity component is 20% of the value of the total STI award. The Board may elect to pay the STI awards of these Leadership Executives wholly in cash once the Leadership Executive has accumulated the minimum shareholding required under the Senior Executive Share Ownership Policy.
What are the performance measures and hurdles?	The Board sets the annual KPIs for the CEO near the beginning of each financial year. The KPIs are allocated to three categories having regard to the Company's business strategy: profitability and financial performance

Key term	Description
	(40%), high level operational improvements (40%) and cultural and behavioural influences (20%). The CEO determines the KPIs for the other members of the senior leadership team in the same three categories and having regard to their areas of responsibility. KPIs for the Chief Content Officer may allocate up to 40% to creative and content performance instead of profitability and financial performance. The metrics that apply under the STI plan in FY2021 are summarised below. **Profitability and financial performance / Creative and content performance (40%)** • **Group EBITDA compared with budget**: Focuses on the performance of the operating business. This metric applies for all Leadership Executives for FY2021 given the focus on recovery of the core operating business. Profitability and financial performance metrics also include targets to ensure costs overall and non-revenue related costs in particular are closely controlled and to ensure implementation of specific corporate strategy projects to improve the asset base. The Board has discretion to adjust budget targets to consider acquisitions or divestments or other significant items during a year where appropriate for linking remuneration reward to corporate performance. Achievements against financial metrics are based on the Company's audited annual financial statements. The Board has discretion to adjust for any significant non-cash items (for example impairment losses), acquisitions and divestments and one-off events/abnormal/non-recurring items, where appropriate for linking remuneration reward to corporate performance. **High level operational performance (40%)** • **Strategy**: Focuses on strategic initiatives (such as network strategy, material contracts and diversification of revenue streams) that deliver growth, improved business performance and shareholder value. • **Operational improvements**: Focuses on organisation design and structure, and effective management of business support functions and infrastructure to sustain and improve long term earnings performance. **Cultural and behavioural influences (20%)**

Key term	Description
	• **People**: Focuses on effective leadership and development, maintenance of a strong culture, and retention of talent to sustain and improve long term earnings performance. • **External relationships**: Focuses on development and maintenance of constructive relationships with key stakeholders to sustain and improve long term earnings performance.
Is there a gateway?	At least 95% of financial metrics relating to NPAT or EBITDA must be achieved before any STI based on those metrics is payable. Not more than 102.5% of financial metrics for costs must be achieved before any STI based on those metrics is payable. Where the budget for a financial year is less than the previous year's actual result, the applicable financial metric will generally be the previous year's actual result (excluding any divested assets or non-recurring items). This requirement will not apply for FY2021 because of the severe impact on the economy and SCA's business of the COVID-19 pandemic. If the gateway for an executive KMP's financial metric relating to EBITDA is not achieved, then none of the executive KMP's 40% Profitability and Financial Performance STI opportunity will vest, even if other KPIs within that category would otherwise have vested. Vesting of the executive KMP's STI opportunity under KPIs relating to High Level Operational Improvements and Cultural and Behavioural Influences will not be affected. For other executive participants in the STI plan, a group EBITDA budget target represents half of the participant's 40% Profitability and Financial Performance STI opportunity. If the group EBITDA gateway is not achieved, that does not affect the participant's eligibility for the other half of the Profitability and Financial Performance STI opportunity. There is no gateway for non-financial measures. Individual performance must be at a "meets expectations" level before any STI is payable.
What are the target and maximum amounts payable?	The target and maximum award for financial and non-financial measures under the STI plan is 100% of an executive's STI opportunity for those measures.

Percentage of budget		Percentage of financial STI payable
NPAT / EBITDA	**Costs**	
<95%	>102.5%	0%
95% to 100%	102.5% to 100%	Straight line between 50% and 100%

Key term	Description
How is performance assessed?	**CEO:** At the end of each financial year, with the assistance of the Committee, the Board assesses the performance of the Company and the CEO against the applicable KPIs and determines the STI amount payable to the CEO. **Other executive KMP**: At the end of the financial year the CEO assesses the performance of the Company and the executive KMPs against the applicable KPIs and determines the STI amount payable to each executive. The CEO provides these assessments to the Committee for review.
Cessation of employment	"Bad Leavers" (who resign or are terminated for cause) will forfeit their STI entitlement, unless otherwise determined by the Board or the CEO as appropriate. The STI payments of executives who cease employment for other reasons are pro-rated for time and performance, unless otherwise determined by the Board.
Change of control	In the event of a change of control before the STI payment date, the STI payment is pro-rated for time and performance, subject to Board discretion.
Clawback	The Board may reconsider the level of satisfaction of a performance measure and take steps to reduce the benefit of an STI award to the extent its vesting was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to the Company.
Other features	**Discretionary elements**: The Board (for KMP) and the CEO (for other executives) have discretion to grant additional bonuses for special projects or achievements that are not contemplated in the normal course of business or that have a particular strategic impact for the Company, such as acquisitions and divestments, refinancing, or major capex projects. **Minimum employment period**: Participants must be employed for at least three months in the performance period to be entitled to receive an STI payment. **Equity awards and retention of shares**: When a portion of an STI award is paid in equity, the Board has discretion to purchase shares on market or to issue new shares. Under the Senior Executive Share Ownership Policy, the equity component of the STI award of the CEO and other Leadership Executives will be subject to a disposal restriction until cessation of the Leadership Executive's employment with the Company, unless the Leadership Executive has already met the minimum shareholding requirement under that policy.

Key term	Description
	Tax treatment: A summary of the Australian tax implications of the equity portion of any STI awards is provided in Attachment 1.

5. LONG TERM INCENTIVE PLAN

The key terms of the LTI plan are summarised below. The full terms are set out in the Rules of the LTI plan, which prevail in case of any inconsistency with the summary below.

Key term	Description
What is the incentive?	The LTI plan provides executive KMP, along with other executives approved by the Board, with grants of performance rights over ordinary shares, for nil consideration. Performance rights granted under the LTI plan are subject to a three-year performance period.
How is each executive's entitlement determined?	Each executive is allocated a dollar value (which may be a fixed percentage of the executive's total remuneration) representing the executive's maximum LTI opportunity for the year. This dollar value is converted into a number of performance rights in the LTI plan, based on the face value of performance rights at the applicable grant date. The face value of performance rights is calculated as: • the volume weighted average price of the Company's shares for the five trading days commencing seven days after the Company's results for the prior financial year are announced to ASX; less • the amount of any final dividend per share declared as payable in respect of the prior financial year. The face value of performance rights for FY21 has been calculated as \$0.1623. Because of the severe impacts of the COVID-19 pandemic on the Australian economy and the financial performance and market capitalisation of the Company, the dollar value of each executive's entitlement under the LTI plan in FY2021 will be discounted by 76%, subject to each participant receiving a minimum grant of 61,614 performance rights (which is the number of Rights that has a total face value of \$10,000).
How is the incentive delivered?	To the extent that the applicable vesting conditions are satisfied at the end of the three year performance period, LTI awards are delivered by allocation to participants of one fully paid ordinary share for each performance right that vests. The Board has discretion to settle vested awards in cash. Shares allocated under the LTI plan to Leadership Executives may be subject to retention under the Senior Executive Share Ownership Policy

Key term	Description
	until the Leadership Executive has accumulated the minimum shareholding required under that policy.
What are the performance measures and hurdles?	In FY2021, each grant under the LTI plan will have a single performance hurdle over a three-year performance period: Absolute Total Shareholder Return (**TSR**). **Absolute TSR (100%)**: The Absolute TSR performance hurdle considers share price appreciation plus reinvested dividends, expressed as a percentage of investment and adjusted for changes in the Company's capital structure. The share price at the beginning and end of the performance period will be the volume-weighted average price of the Company's shares on ASX for the 10 trading days before and after the relevant date (and on the relevant date, if the relevant date is a trading day). Dividends will be assumed to have been re-invested on the ex-dividend date. Tax and any franking credits (or equivalent) will be ignored. The LTI plan for FY2021 is designed to incentivise executives to increase the Company's market capitalisation following the substantial decline that occurred after a trading update released in October 2019 and onset of the COVID-19 pandemic in early 2020. In broad terms, an absolute TSR of 100% over the three-year performance period would restore the Company's market capitalisation to the average level experienced during 2019. The LTI plan for FY2021 considers the severe impact of COVID-19 on the Company's operations and market capitalisation and the ongoing uncertain economic environment. The Board wishes to provide a targeted incentive to executives focused on increasing the market capitalisation of the Company over the three year performance period. The number of performance rights to be granted to executives will be 24% of their standard entitlement (**Base Amount**). Dependent on the total shareholder return of the company's securities over the three year performance period, the maximum number of performance rights that could vest will be 2.5 times the Base Amount or 60% of the executive's standard entitlement under the LTI plan. TSR performance rights granted in FY2021 are eligible to vest according to the following schedule:

TSR performance to 30 June 2023	% of standard entitlement that vests[1]
0% or below	Nil

[1] Subject to a minimum of not fewer than 61,614 Rights vesting for TSR performance above zero.

Key term	Description	
	Above 0% - 150%	Straight-line vesting between Base Amount (24% of standard entitlement) and 2.5 x Base Amount (60% of standard entitlement)
	Above 150%	2.5 x Base Amount (60% of standard entitlement)
	The above schedule illustrates that each executive's vesting opportunity commences at 24% of an executive's standard entitlement. The number of performance rights that vests will be subject to a multiplier according to the TSR performance of the Company over the three year performance period. For TSR performance of 100%, a multiplier of 2x applies so that the number of performance rights that vests will be double the Base Amount granted to the executive. The maximum multiplier is 2.5x for TSR performance of 150% over the three year performance period. In that case, the number of performance rights that vests will be 60% of an executive's standard entitlement.	
Is there a gateway?	The Absolute TSR performance hurdle will be achieved only if the Company's TSR performance over the performance period is above zero.	
What is the maximum amount payable?	The maximum award under the FY2021 LTI plan is 150% of an executive's grant if all vesting conditions are fully satisfied over the performance period. Because the grant under the FY2021 LTI plan to each executive in FY2021 will be at a discount of 76% to the executive's standard entitlement, the maximum number of performance rights to be awarded under the FY2021 LTI plan is 60% of the executive's standard entitlement.	
How is performance assessed?	The Board will calculate the Company's TSR performance at the end of the performance period for each LTI grant. The Company will engage an independent party to report on the Company's TSR at the vesting date. There is no re-testing of performance hurdles under the LTI plan.	
Cessation of employment	"Bad Leavers" (who resign or are terminated for cause) will forfeit any unvested performance rights, unless otherwise determined by the Board. For executives who cease employment for other reasons, the Board has discretion to vest any unvested performance rights on a pro-rata basis taking into account time and the current level of performance against the performance hurdle, or to hold the LTI award to be tested against performance hurdles at the end of the original vesting period.	
Change of control	In the event of a change of control before vesting of an LTI award, the Board has discretion as to how to treat the unvested award, including to determine that the award will vest or lapse in whole or in part, or that it will continue subject to the same or different conditions.	

Key term	Description
Clawback	The Board may reconsider the level of satisfaction of a performance hurdle and take steps to reduce the benefit of an LTI award to the extent its vesting was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to the Company.
Other features	**Treatment of dividends**: There are no dividends payable to participants on unvested performance rights. Once performance rights have vested to fully paid ordinary shares, the participant will be entitled to dividends on these shares. **Sourcing of shares**: The Board has discretion to purchase shares on market or to issue new shares in respect of vested performance rights. The Board typically chooses to purchase shares on market for this purpose, and will do so for any performance rights that vest under the FY2021 LTI plan. **Retention of shares**: The rules of the LTI plan do not require participants to retain any shares allocated to them upon vesting of performance rights. However, the Company's Senior Executive Share Ownership Policy imposes a disposal restriction until cessation of employment on 25% of the shares allocated to a Leadership Executive upon vesting of performance rights unless the Leadership Executive has already met the minimum shareholding requirement under that policy.

6. REVIEW OF POLICY

The People & Culture Committee will review the effectiveness of this Framework annually to ensure that it remains relevant and appropriate to the Company. Any changes identified by the People & Culture Committee will be recommended to the Board for approval.

ATTACHMENT 1

AUSTRALIAN TAXATION SUMMARY – FY2021 STI PLAN – EQUITY COMPONENT

IMPORTANT NOTE

This taxation summary is general in nature and is based on Australian tax laws on 31 July 2019 and the taxation obligations in relation to Shares delivered to a Leadership Executive as part of an STI award. The tax treatment of your Shares may change from time to time, so it is strongly recommended that you seek your own professional advice in relation to your personal circumstances.

The Company, its advisers and subsidiaries are not responsible to any person who relies on the information provided. The summary also assumes that you are an employee of the Company and that you are, and remain, a resident of Australia for tax purposes (although not a temporary resident). There are specific rules regarding temporary residents and for individuals whose residency status changes. These rules need to be considered case by case, and are not considered in this taxation summary.

This summary is prepared on the basis that by participating in the FY2021 STI plan, you will have been deemed to have received a right to acquire an indeterminate number of shares, subject to the relevant performance conditions described in this document, and subject to the requirements of the Company's Senior Executive Share Ownership Policy.

Such an approach should act to ensure that tax deferral will be available until any Shares that are ultimately allocated to you as part of an STI award are no longer subject to a genuine disposal restriction. If income tax deferral is not available, income tax arises on your Shares at the time of allocation to you. The availability of income tax deferral needs to be considered case-by-case and you should seek advice for your specific personal circumstances. Deferral, however, should generally be available for Shares allocated to an employee of the Company who does not have an interest in Shares which represents more than 10% of the Company's issued share capital.

You should read this summary in conjunction with this document, the Senior Executive Share Ownership Policy, and any other document provided to you in relation to your participation in the FY2021 STI plan.

Any cash entitlement under the STI plan will be delivered net of PAYG withholding and any superannuation guarantee obligations.

TAX CONSEQUENCES ON ALLOCATION OF SHARES

Tax treatment on allocation of Shares as part of an STI award	
Will I need to pay tax when Shares are allocated to me?	You will not be subject to income tax when you are allocated your Shares, provided your Shares remain subject to a genuine disposal restriction, and you remain employed by the Company at that time.

Tax treatment on allocation of Shares as part of an STI award	
Will I need to pay tax once my Shares are no longer subject to a genuine disposal restriction?	Yes, the date your Shares are no longer subject to a genuine disposal restriction will normally be the **taxing point** for the Shares. This date may occur in a different year to the end of the performance period. In most cases, the **taxing point** will occur on the date that you cease employment with the Company because this is the date that the disposal restriction on the shares will be lifted.
How much tax will I be required to pay on my Shares?	The taxable income in relation to your Shares will generally be equal to the fair market value of your Shares at the date of the taxing point. However, where you dispose of the shares within 30 days of the taxing point described above, the taxable amount will be the net sale proceeds received. In this case, the date of sale becomes the new taxing point and no further tax, such as capital gains tax (**CGT**), is payable. The tax due on your Shares will be calculated by applying your marginal rate of tax (including the Medicare Levy) to the taxable income calculated above.
Do I need to report anything to the Australian Taxation Office **(ATO**)?	Any income arising at the taxing point of your Shares must be reported in your income tax return for the relevant year. Your income tax return must normally be lodged with the ATO by 31 October following the tax year in which the taxing point occurred; however, extensions may be available if you use a tax agent to prepare and submit your income tax return. The Company will provide you with an Employee Share Scheme (**ESS**) statement by 14 July following the relevant tax year, showing an estimate of the taxable value of the Shares to assist you with completing your tax return. The Company must also report details of your Shares to the ATO for the year in which the Shares are subject to tax (i.e. the year in which the taxing point occurs).
How will the tax be paid?	Tax is payable by you once your income tax return has been assessed, and is generally payable after filing the tax return for the tax year (1 July to 30 June) in which the taxing point for the Shares occurred. The Company is not required to withhold tax when your Shares become taxable, provided you have given the Company your Tax File Number.

TAX TREATMENT WHEN SHARES ARE SOLD

Tax treatment when Shares are sold	
Will I need to pay tax when I sell my Shares?	If you sell your Shares (in an arm's length disposal) within 30 days of the applicable taxing point for your Shares, the taxable income is based on the net sale proceeds you receive, and no CGT will be payable. If you sell the Shares more than 30 days after the taxing point for the Shares, you will need to pay CGT on any additional gain you realise when the Shares are sold. Your gain (if any) on an arm's length sale will be equal to: The net sale proceeds you receive **less** the cost base of the Shares which includes the market value of the Shares at the earlier taxing point (i.e. the amount previously subject to income tax) If you hold the Shares for at least 12 months after you acquire them, not including the day of acquisition or the day of sale, only 50% of the capital gain (after deducting any available capital losses) is subject to CGT. The 12-month holding period for CGT purposes normally commences on the date the taxing point arises for your Shares, **not** when the Shares were originally allocated. Taxable capital gains are subject to tax at your marginal rate of tax (plus the Medicare levy). If you sell your Shares (in an arm's length disposal) for less than the cost base, you will make a capital loss. Tax is not payable on capital losses. Capital losses can only be offset against capital gains, and are utilised before applying the 50% CGT discount. Excess capital losses can be carried forward to future tax years, to be offset against future capital gains.
Do I need to report anything to the ATO?	All capital gains/losses should be reported in your income tax return for the tax year in which the capital gain/loss is realised. Where a net capital loss arises in a tax year, it can be carried forward to future tax years.
How will the tax be paid?	Tax is payable once your income tax return has been assessed after filing the tax return for the year in which any taxable gain is realised.

TAX TREATMENT WHEN DIVIDENDS ARE PAID ON SHARES

Tax treatment when dividends are paid on Shares	
Will I need to pay tax if dividends are paid on my Shares?	As a shareholder, you may be eligible to receive dividends on your Shares. This dividend entitlement will commence when the Shares are first allocated to you. You will need to pay tax at your marginal rate (plus the Medicare levy) on the grossed-up amount of any dividends you receive (including franking credits) on the Shares you hold. Any franking credits attaching to dividends should be available to reduce the income tax payable, provided you meet the applicable 45-day holding period requirement.
Do I need to report anything to the ATO?	The grossed-up value of all dividends (including relevant franking credits) and distribution income (other than tax-deferred distributions) should be included in your income tax return for the relevant tax year.
How will the tax be paid?	Tax is payable by you once your income tax return has been assessed for the year, after filing the tax return for the tax year (1 July to 30 June) in which the dividend or distribution income (other than tax-deferred distributions) were received.

If you have any questions about your taxation and reporting obligations, it is strongly recommended that you seek your own professional advice in relation to your personal circumstances.