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 SCA 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 SCA’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 and results.

3. GUIDELINES FOR EXECUTIVE REMUNERATION

3.1 Gender neutrality

SCA aims to ensure that all employees are remunerated fairly for the work that they do. For this purpose, SCA reviews the remuneration of executives in similar roles, considering factors relevant to each role such as 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.

SCA considers benchmarking information from external providers such as Mercer and Aon 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 SCA's Senior Leadership Team and selected other executives who are a member of the Executive Leadership Team, as set out in the table below.

SCA's Senior Leadership Team is made up of the Chief Executive Officer (**CEO**) and leadership executives reporting to the CEO, comprising the Chief Financial Officer (**CFO**), the Chief Technology and Operating Officer (**CTOO**), the Chief Commercial Officer (**CCO**), the Chief Content Officer, the Chief Marketing Officer, the Chief People and Culture Officer, and other leadership executives approved by the Board. SCA's executive Key Management Personnel (**KMP**) for the purposes of Accounting Standard AASB 124 are the CEO, CFO, and CCO being those persons "having authority and responsibility for planning, directing and controlling the activities of [SCA], directly or indirectly, including any director (whether executive or otherwise) of [SCA]".

The executive roles included in the Executive Leadership Team and those to whom this Framework applies are reviewed annually having regard to the contribution and impact of each role in SCA's national executive structure. Participants are approved by the CEO. Senior sales roles with commission structures typically do not participate in the EIP.

Executive tier	Role
Leadership Executives (Key Management Personnel)	Chief Executive Officer Chief Financial Officer Chief Commercial Officer
Other Leadership Executives	Chief Technology and Operating Officer Chief Content Officer Chief Marketing Officer Chief People and Culture Officer

Executive tier	Role
Executive Leadership Team	Head of Sales Insights and Campaign Strategy Head of LiSTNR Strategy and Partnerships Executive General Manager, Victoria and Tasmania Fox Content Director and Content Director Hit Metro National Head of Audio Sales Talent Attraction & Acquisition Manager General Manager Finance Head of Regional Content Head of Data & Analytics Executive Head LiSTNR Product & Strategy Head of Commercial Finance Head of Information Technology & Engineering Head of Revenue Operations Head of Sports Content – On-Air and On Demand Executive Head, LiSTNR Podcasts Executive General Manager - Western Australia Executive General Manager - Sydney, Melbourne, Adelaide Executive General Manager Queensland HR Manager Head of Digital Technology Triple M Adelaide Content Director | Group Content Director – Triple M Metro Head of News and Information Head of Consumer Marketing National Head of TV Sales Head of Content Strategy and Audio Production Head of Direct Strategy/Head of Capability Group Financial Controller Head of Legal and Corporate Affairs Executive General Manager - NSW and Canberra Head of Client Services and Partnerships

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, considering SCA's obligations at law and labour market conditions, and should be relative to the scale of SCA'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 SCA'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 aligned to SCA'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 SCA'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**: The more senior the executive, the greater the at-risk component of remuneration should be. In FY21, an executive's at-risk remuneration included one or more of a short-term incentive (**STI**) and a long-term Incentive (**LTI**). From FY22, a combined Executive Incentive Plan (**EIP**) has been introduced. The EIP combines the elements of the former STI and LTI plans.

- **EIP**: The EIP is an at-risk annual bonus linked to appropriate financial, strategic, and behavioural measures. It is payable in a combination of cash and equity. The cash component is payable within three months after the end of each financial year. The equity component is subject to further conditions regarding continuity of employment, subsequent performance testing, and restrictions on disposal. SCA's Senior Executive Share Ownership Policy also applies to shares allocated to Leadership Executives on vesting of performance rights under the EIP.

- **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. STI payments are made in cash. SCA does not currently operate an STI program for Leadership Executives.

- **Long Term Incentive**: An LTI is an at-risk equity-based performance incentive plan linked to hurdles that are aligned to SCA'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 SCA. SCA operated an LTI plan for Leadership and selected other executives up to FY21 but does not currently operate an 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	Base	EIP	EIP		
				Equity	
			Cash	Tranche 1	Tranche 2
Chief Executive Officer	40%	60%	40%	30%	30%
Leadership Executive	50%	50%	50%	25%	25%
Executive Leadership Team	70 – 85%%	30% - 15%	50%	25%	25%

The composition of remuneration shown in the table above for Executive Leadership Team members is indicative only and subject to individual variations around that indicative composition.

3.5 External benchmarking

SCA will perform external remuneration benchmarking for KMP and other Leadership Executives every 24 months, where appropriate.

4. EXECUTIVE INCENTIVE PLAN

The key terms of the EIP are summarised below. The EIP operated for the first time in FY22.

Key term	Description
What is the incentive?	The EIP 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 target (which may be a fixed percentage of the executive's total remuneration) representing the executive's target EIP opportunity for the one-year performance period.
How is the incentive delivered?	The EIP operates over five years as follows: • a one-year performance period commencing on 1 July in the first year of the EIP, after which individual and corporate performance

Key term	Description
	are assessed and an EIP award may be made partly in cash and partly in grant of performance rights; • a two-year service period commencing on 1 July in the second year of the EIP, after which performance rights will be eligible for vesting and conversion to fully paid ordinary shares; and • a two-year retention period commencing on 1 July in the fourth year of the EIP, during which any shares allocated at the end of the service period are subject to a disposal restriction. To the extent the EIP performance conditions for an executive are satisfied during the performance period, SCA will make an EIP award to the executive. SCA will satisfy the dollar value of the EIP award by: • paying the executive the cash component of the EIP award; and • granting the executive performance rights with a face value equal to the equity component of the EIP award in two equal tranches. The number of performance rights granted to the executive is calculated by dividing the dollar value of the equity component of the EIP award by the face value of a performance right at the end of the applicable performance period. The face value of a performance right is: • the volume weighted average price of SCA's shares for the five trading days commencing seven days after SCA's results for the performance period are announced to ASX; less • the amount of any final dividend per share declared as payable in respect of the performance period. These performance rights will be eligible for vesting at the end of year 3, two years after their grant to the executive. This two-year period is referred to as the service period.
What are the performance measures and hurdles?	The Board sets the annual goals for the CEO near the beginning of each financial year. The goals are allocated to three categories having regard to SCA's business strategy: financial performance (60%), strategic execution (30%) and culture and behaviour (10%). In consultation with the Board, the CEO determines the annual goals for other Leadership Executives in the same three categories and having regard to their areas of responsibility. **Financial performance (60%)** The financial performance metrics that apply under the EIP in FY24 are summarised below. • **Group EBITDA compared to budget**: This is a core measure of operational profitability. This metric is relevant for all Leadership Executives. • **Revenue compared to budget**: Targets may be set for total revenue or for specific categories of revenue, such as digital audio

Key term	Description
	revenue. This metric is relevant for several Leadership Executives including the Chief Commercial Officer. • **Non-revenue-related costs compared to budget**: These controllable costs exclude costs such as agency commissions and television affiliation fees that are variable with revenue. This metric is relevant for all Leadership Executives. Achievements against financial metrics are based on SCA's audited annual financial report. The Board has discretion to adjust targets and outcomes to ensure executive reward is appropriately linked to corporate performance. For this purpose, the Board may consider matters including SCA's overall corporate performance and progress against strategic objectives; significant non-cash items (for example impairment losses); acquisitions, divestments, and one-off events; and abnormal or non-recurring items. The results of investments are typically excluded from executive incentive measurements. **Strategic execution (30%)** Goals for strategic execution are tailored to the individual responsibilities of each executive. These goals focus on implementation of strategic initiatives, major projects, and material operational improvements designed to deliver growth, improved and sustainable business performance, and shareholder value. These goals could include financially based targets for strategic or growth-oriented parts of the business for which SCA has long-term aspirations. **Culture and behaviour (10%)** Goals for culture and behaviour are tailored to the individual responsibilities of each executive. These goals focus on maintaining a positive corporate culture, effective leadership, and development, retaining talent, and building effective external relationships to improve and sustain long-term business performance and shareholder value. The weighting of the three categories above may be different for EIP or other incentive plan participants who are outside the Senior Leadership Team and who have less influence on overall corporate performance.
Is there a gateway?	The following minimum performance and vesting schedules apply for EIP awards based on financial metrics:

EBITDA – percentage of budget	Vesting percentage
Below 95%	Nil
95%	50%
Above 95% to 102.5%	Straight-line vesting between 50% and 100%
Above 102.5%	100%

Key term	Description

Revenue – percentage of budget	Vesting percentage
Below 97%	Nil
97%	50%
Above 97% to 100%	Straight-line vesting between 50% and 100%
Above 100%	100%

Digital revenue – percentage of budget	Vesting percentage
Below 85%	Nil
85%	50%
Above 85% to 107.5%	Straight-line vesting between 50% and 100%
Above 107.5%	100%

Non-revenue-related costs – percentage of budget	Vesting percentage
Above budget	Nil
On budget or below	100%

None of the above financial measures operates as a gateway to an award being made under any other financial or non-financial measure.

Individual performance must be at a "meets expectations" level before any EIP award will be made.

Key term	Description
What is the maximum amount payable?	The maximum award under the EIP is 100% of an executive's EIP target opportunity if all vesting conditions are fully satisfied over the one-year performance period.
How is performance assessed?	The Board will calculate the financial measures under the EIP at the end of the performance period. SCA may engage an independent consultant to review or carry out these calculations. The Board has discretion to adjust targets and outcomes to ensure executive reward is appropriately linked to corporate performance. **CEO:** At the end of each financial year, with the assistance of the Board's People & Culture Committee, the Board assesses the performance of the CEO against the applicable non-financial measures and determines the extent to which the CEO has achieved applicable targets. In doing so, the

Key term	Description
	Board may consider the CEO's achievements in the context of SCA's overall performance. **Other Leadership Executives**: At the end of the financial year, the CEO assesses the performance of the other Leadership Executives against the applicable non-financial measures and determines the extent to which each Leadership Executive has achieved applicable targets. In doing so, the CEO may consider each Leadership Executive's achievements in the context of SCA's overall performance. The CEO provides these assessments to the People & Culture Committee for review.
Vesting of performance rights after service period	If the executive remains employed by SCA at the end of the service period: • Tranche 1 of the executive's EIP award of performance rights will vest at that time; and • Tranche 2 of the executive's EIP award of performance rights will be eligible for vesting according to the following scale.

3-year EPS CAGR	% of Tranche 2 that vests
1.5% or below	Nil
Above 1.5% - 8.0%	Straight-line vesting between 0% and 100%
Above 8.0%	100%

	SCA will allocate one fully paid ordinary share for each of the executive's performance rights that vests at the end of the service period. An executive will receive an additional allocation of fully paid ordinary shares with a value equal to the dividends paid on vested rights in respect of the two-year service period. The Board has discretion to settle vested awards in cash. Any performance rights that do not vest at the end of the service period will lapse. The Board has discretion to fulfil SCA's obligation to allocate shares on vesting by issuing new shares or acquiring shares on market. The Board has decided that any shares to be allocated on vesting of performance rights under the EIP will be acquired on market. Shares allocated under the EIP to Leadership Executives will be subject to disposal restrictions for two years (until the end of year 5) or cessation of the Leadership Executive's employment, whichever is earlier. These shares will be subject to further disposal restrictions under the Senior Executive Share Ownership Policy unless the Leadership Executive has accumulated the target shareholding required under that policy.
Cessation of employment	If an executive ceases employment with SCA during the five-year term of an EIP grant, the treatment of the executive's rights under the EIP will be determined by the time and circumstances of the cessation of employment.

Key term	Description
	During performance period "Bad Leavers" (who resign or are terminated for cause) during the year 1 performance period will not be eligible for an award under the EIP. For an executive who ceases employment for other reasons during the performance period, the Board has discretion to make an award to the executive under the EIP on a pro-rata basis considering time and the performance to date against the applicable performance measures, to hold the EIP award to be tested against the applicable performance measures at the end of the original performance period, or to treat the EIP award in any other manner it considers appropriate. **During service period** "Bad Leavers" (who resign or are terminated for cause) during the two-year service period will forfeit any unvested performance rights, unless otherwise determined by the Board. For executives who cease employment during the service period for other reasons, the Board has discretion to vest any unvested performance rights on a pro-rata basis considering time and the performance to date against the EPS performance hurdle, to hold all or a part of any unvested performance rights to be tested against the EPS performance hurdle at the end of the original service period, or to treat the award in any other manner it deems appropriate. **After service period** If an executive ceases employment with SCA after the service period, SCA will release the executive's shares from any remaining restrictions on disposal.
Change of control	If a change of control event in relation to SCA occurs before assessment of performance under an EIP award or before vesting of performance rights granted under an EIP award, the Board has discretion as to how to treat the unassessed award or unvested performance rights, including to forfeit or make an award in whole or in part and to determine performance rights will vest or lapse in whole or in part, or that performance rights will continue subject to the same or different conditions. In exercising its discretion, the Board may consider the proportion of the performance period and the service period that has passed at the time of the change of control, the performance to date of SCA and the executive against applicable performance conditions, and any other matters the Board considers to be relevant.
Clawback	The Board may reconsider the level of satisfaction of a performance hurdle and take steps to reduce the benefit of an EIP 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 SCA.
Other features	**Treatment of dividends**: There are no dividends payable to executives on unvested performance rights. Once performance rights have vested to fully

Key term	Description
	paid ordinary shares, the executive will be entitled to dividends on these shares. In addition, upon vesting of an executive's performance rights, the executive will receive an additional allocation of fully paid ordinary shares with a value equal to the dividends paid on vested rights in respect of the two-year service period. **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 EIP. **Retention of shares**: Participants must retain any shares allocated to them upon vesting of performance rights for two years or cessation of employment, whichever is earlier. SCA's Senior Executive Share Ownership Policy also applies to shares allocated to Leadership Executives on vesting of performance rights under the EIP.

5. SHORT TERM INCENTIVE PROGRAM

SCA currently does not operate an STI program for Leadership Executives. A summary of the taxation consequences relating to shares allocated to Leadership Executives under the STI program in FY21 is provided in Attachment 2. Executives should seek their own professional advice in relation to their personal circumstances.

6. REGULATORY MATTERS AND RISKS

6.1 Invitations to participate

This Framework and any associated invitation to an executive to apply for performance rights or shares in Southern Cross Media Group Limited is made without disclosure to investors in reliance on conditional relief granted by ASIC, or in reliance on applicable exemptions under the *Corporations Act 2001* (Cth) including, where applicable, the regulatory relief set out in Division 1A of Part 7.12, and for the purposes of section 1100N(b), of the *Corporations Act 2001* (Cth).

6.2 No financial product advice

This Framework does not include financial product advice. Nothing in this Framework should be taken to be a recommendation or statement of opinion intended to influence a person in deciding to participate in any of SCA's executive incentive plans. This Framework does not consider the objectives, financial situation or needs of any particular person. Before acting on the information in this Framework or deciding to participate in any of SCA's executive incentive plans, executives should consider their objectives, financial situation and needs, and seek professional advice from an independent person licensed to give such advice in the context of the executive's objectives, financial situation and needs.

6.3 Taxation

There will be taxation implications arising for you in participating in SCA's executive incentive plans. Attachment 1 and Attachment 2 to this Framework provide general guidance on some of the key taxation consequences of receiving performance rights under the EIP and the FY21 STI plan. However, executives should independently assess and consider their taxation position and seek professional advice. Executives should base any decision on such independent assessment, consideration, and advice.

6.4 Not part of employment contract

The EIP and SCA's other executive incentive plans do not create or form part of any contract of employment between an executive and SCA. To the extent permitted by law, any benefits an executive may realise from participating in any of SCA' executive incentive plans do not count as remuneration for any purposes, including calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments.

6.5 Risks

Participating in the EIP involves several risks including that:

- While each performance right entitles the executive, upon the vesting of the performance right, to acquire one share (or a cash payment in lieu of a share at the discretion of the Board), a performance right is not a share and, until a performance right vests in accordance with this Framework, the performance right is at risk of lapsing in the circumstances specified in this Framework. If a performance right lapses (for example, because you fail to satisfy the service condition), all your performance rights under the EIP in respect of that performance right (including your right to acquire a share or receive a cash payment in lieu of a share) will be forfeited.

- Performance rights are not shares and may be treated differently to shares in certain corporate actions.

- The price at which shares trade may be higher or lower than historical prices. If you decide to sell any shares that you hold, the amount which may be received on the sale may be higher or lower than the market price at the time you acquired the shares on the vesting of performance rights.

The information above is only general information about the risks of acquiring and holding performance rights and shares. There may be other risks of participating in the EIP that are specific to your circumstances.

Participating in the EIP involves risks including the following.

- While each performance right entitles an executive, upon the vesting of the performance right, to acquire one share (or a cash payment in lieu of a share at the discretion of the Board), a performance right is not a share. Until a performance right vests in accordance with this Framework, the performance right is at risk of lapsing in the circumstances specified in this Framework. If a performance right lapses (for example, because an executive fails to satisfy the service condition), all the executive's rights in respect of that performance right (including any right to acquire a share or receive a cash payment in lieu of a share) will be forfeited.

- Performance rights are not shares and may be treated differently to shares in certain corporate actions.

Factors such as performance of SCA, the performance of the economy and general financial market conditions may impact:

- the extent to which the conditions attached to performance rights are satisfied will impact the number of performance rights that vest (and therefore, the number of shares that will ultimately be allocated to an executive)
- the market price of shares may fluctuate and fall, which will affect the value of the shares allocated upon vesting of performance rights, the value of the shares following vesting, and the value an executive ultimately receives on sale or transfer of shares
- dividends payable in respect of shares (allocated upon vesting of performance rights).

7. REVIEW OF POLICY

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

ATTACHMENT 1

AUSTRALIAN TAXATION SUMMARY
EXECUTIVE INCENTIVE PLAN – EQUITY COMPONENT

IMPORTANT NOTE

This taxation summary is general in nature and is based on Australian tax laws on 18 July 2022 and the taxation obligations in relation to performance rights delivered to a Leadership Executive as part of the Executive Incentive Plan (**EIP**). 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. It is noted that the terms of any equity grants made in relation to the EIP will be finalised in September after the applicable performance period ending on the preceding 30 June, which will be accompanied by an updated Australian tax summary.

SCA, 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 SCA 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 EIP, you will have been deemed to have received performance rights which are subject to the service and performance conditions described in this document, and subject to the requirements of SCA's Senior Executive Share Ownership Policy. While it is intended that any vested performance rights will be settled in shares, the Board has discretion to settle any vested performance rights in cash.

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 EIP award are no longer subject to a genuine disposal restriction. If income tax deferral is not available, income tax arises on your performance rights at the grant date. 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 SCA who does not have an interest in shares representing more than 10% of SCA'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 FY2022 EIP plan.

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

TAX CONSEQUENCES ON GRANT OF EQUITY AWARDS (PERFORMANCE RIGHTS OR SHARES)

Tax treatment of equity awards as part of an EIP award	
Will I need to pay tax when performance rights are granted to me?	You will not be subject to income tax when you are granted your performance rights, given your performance rights will be subject to service and performance conditions for two years before converting to

Tax treatment of equity awards as part of an EIP award	
	shares, and a subsequent two-year disposal restriction will apply on any shares allocated to you.
When will I pay tax on my equity award?	A taxing point will arise at the earlier of: • 15 years from the grant date of your performance rights; or • When no further genuine disposal restriction applies on your shares. Where a disposal restriction continues to apply on your shares for the purposes of meeting the Target Shareholding Requirement, this will be treated as a genuine disposal restriction.
How much tax will I be required to pay on my equity award?	The taxable income in relation to your equity award will generally be equal to the fair market value of your equity award at the date of the taxing point. However, where you dispose of the equity award 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 equity award 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 equity award 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. SCA 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 equity award to assist you with completing your tax return. SCA must also report details of your equity award to the ATO for the year in which the equity award is 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 equity award occurred. SCA is not required to withhold tax when your equity award become taxable, provided you have given SCA your Tax File Number.

Tax treatment of equity awards as part of an EIP award	
Will I be taxed if I receive cash in lieu of shares?	Where you receive cash instead of shares following the vesting, you will be subject to tax on the date of payment. Tax will be withheld by the employer via the PAYG withholding system, based on your marginal tax rate. This cash payment will be delivered net of PAYG withholding and superannuation guarantee obligations

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.

Tax treatment when shares are sold	
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 following the conclusion of the service period at end Year 3. 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.

ATTACHMENT 2

AUSTRALIAN TAXATION SUMMARY – FY21 STI PLAN – EQUITY COMPONENT

IMPORTANT NOTE

This taxation summary is general in nature and is based on Australian tax laws on 18 July 2022 and the taxation obligations in relation to shares delivered to a Leadership Executive as part of an award under the FY21 STI plan. 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.

SCA, 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 SCA 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 FY21 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 SCA'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 SCA who does not have an interest in shares representing more than 10% of SCA'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 FY21 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 SCA at that time. A disposal restriction imposed on the executive for the purposes of meeting the Target Shareholding Requirement under the Senior Executive Share Ownership Policy is a genuine disposal restriction.

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 SCA 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. SCA 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. SCA 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. SCA is not required to withhold tax when your Shares become taxable, provided you have given SCA 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.