

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

SOUTHERN CROSS MEDIA GROUP LIMITED

ABN/ARN

91 116 024 536

Financial year ended:

30 JUNE 2020

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

☒ This URL on our website: <https://www.southerncrossaustereo.com.au/investors/governance/>

The Corporate Governance Statement is accurate and up to date as at 28 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 28 September 2020

Name of authorised officer authorising lodgement: TONY HUDSON, COMPANY SECRETARY

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:  <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>  and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement and in our 2020 Report to WGEA, available at:  <a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a>  and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement and in our Board Charter, available at:  <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>  and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>
<p>1.7 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Senior Executive Evaluation Policy, available at:  <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>  and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement and in our Remuneration Report in the 2020 Annual Report, available at:  <a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a></p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and in our 2020 Annual Report, available at: <a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a></p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in our Corporate Governance Statement</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement and the length of service of each director in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>		
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Corporate Governance Statement and on our website at: <a href="https://www.scacareers.com.au/values/">https://www.scacareers.com.au/values/</a>
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy which is with our code of conduct at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a> and the information referred to in paragraphs (4) and (5) on our website at: <a href="https://www.southerncrossaustereo.com.au/about/the-board-and-leadership-team/">https://www.southerncrossaustereo.com.au/about/the-board-and-leadership-team/</a></p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p><input checked="" type="checkbox"/></p>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed this process in our external communications policy, available at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our external communications policy at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed this process in our external communications policy, available at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> and we have disclosed this process in our external communications policy, available at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> and we have disclosed this process in our external communications policy, available at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement and in our external communications policy, available at: <a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the Audit &amp; Risk Committee at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) in our 2020 Annual Report, available at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a></p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>Not applicable, but refer to the discussion in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the People &amp; Culture Committee at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) in our 2020 Annual Report, available at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a></p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Senior Executive Remuneration Framework, available at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p> <p>and in our Remuneration Report in the 2020 Annual Report, available at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a></p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it in our Securities Trading Policy, available at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/governance/">https://www.southerncrossaustereo.com.au/investors/governance/</a></p> <p>and in our Remuneration Report in the 2020 Annual Report, available at:</p> <p><a href="https://www.southerncrossaustereo.com.au/investors/reports/">https://www.southerncrossaustereo.com.au/investors/reports/</a></p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>		
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable.
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable.
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>		
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	Not applicable.
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	Not applicable.

For personal use only



**CORPORATE  
GOVERNANCE  
STATEMENT**  
2020

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

<b>BOARD OF DIRECTORS</b>	<b>1</b>
Composition of the Board	1
Board skills matrix	2
Board independence	3
Role of the Board	3
Chair and Deputy Chair	3
Delegation to CEO	4
Board meetings	4
Director appointment and re-election	4
Director induction	4
Board performance evaluation	5
Remuneration of non-executive directors	5
Independent professional advice	5
Company Secretary	5
<b>BOARD COMMITTEES</b>	<b>5</b>
Audit & Risk Committee	5
People & Culture Committee	5
Nomination Committee	6
<b>EXECUTIVE REMUNERATION AND PERFORMANCE</b>	<b>6</b>
<b>RISK MANAGEMENT AND INTEGRITY OF FINANCIAL REPORTING</b>	<b>7</b>
Risk management	7
Tax governance	7
Internal audit	7
Assurance	8
<b>COMPANY POLICIES</b>	<b>8</b>
Code of Conduct	8
Trading in company securities	8
External communications	9
<b>SUSTAINABILITY</b>	<b>9</b>
Social sustainability	9
Environmental sustainability	12

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

The Board of Southern Cross Media Group Limited (Company) is responsible for the corporate governance of Southern Cross Austereo, comprising Southern Cross Media Group Limited and its subsidiaries (SCA). The Board guides and monitors the business and affairs of SCA on behalf of shareholders, working with management to implement and maintain an effective system of corporate governance.

This statement describes SCA's key corporate governance practices and policies. The 2020 Annual Report, Company Constitution, Board Charter, Board Committee Charters, Risk Management Framework (including Risk Appetite), Risk Management Policy, Taxation Risk and Governance Policy, Code of Conduct, Securities Trading Policy, Senior Executive Evaluation Policy, Senior Executive Remuneration Framework, Non-executive Director Share Ownership Policy, Senior Executive Share Ownership Policy, Diversity Policy, External Communications Policy, Whistleblowing Policy, and SCA's 2020 Tax Transparency Report and Modern Slavery Statement are available under the Investors tab on SCA's website [www.southerncrossaustereo.com.au](http://www.southerncrossaustereo.com.au). This statement was authorised for issue by the Board on 28 September 2020. Unless specified otherwise, the information in this statement is current as at that date.

### Board of Directors

#### Composition of the Board

Membership of the Board and its Committees on 28 September 2020 is set out below. A profile of each director, including details of their skills, experience and expertise, is available in the Directors' Report in the 2020 Annual Report and on SCA's website.

Director	Membership Type	Length of Service (Years)	Audit & Risk Committee	People & Culture Committee	Nomination Committee
<b>Rob Murray</b>	Independent	6.1		Member	Chair
<b>Leon Pasternak</b>	Independent Deputy Chair	15.0			
<b>Grant Blackley</b>	CEO/Managing Director	5.3			
<b>Glen Boreham</b>	Independent	6.1	Member	Member	Member
<b>Peter Bush</b>	Independent Chair	5.6			
<b>Carole Campbell</b>	Independent	0.1	Member		
<b>Helen Nash</b>	Independent	5.4	Member	Chair	Member
<b>Melanie Willis</b>	Independent	4.3	Chair	Member	

The average tenure of the Board on 28 September 2020 was 6.0 years (2019: 5.6 years; 2018: 4.6 years), with a median tenure of 5.3 years (2019: 4.3 years; 2018: 3.3 years). The average age of the Board on 28 September 2020 was 58 years (2019: 57; 2018: 56 years).

There were no changes in the composition of the Board during the year ended 30 June 2020. However, as reflected in the table above, on 19 August 2020, Peter Bush stepped down as Chair and Rob Murray was elected as Chair in his place. Mr Bush will retire as a director at this year's Annual General Meeting (AGM) on 30 October 2020. Leon Pasternak has also announced that he will retire as a director at this year's AGM.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

With the help of Egon Zehnder, the Board conducted an extensive search during FY2020 to fill the vacancies resulting from Mr Bush's and Mr Pasternak's retirements and to ensure the Board continues to have an appropriate range of skills and experience. As a result of that process, Carole Campbell, Ido Leffler and Heith Mackay-Cruise emerged as outstanding candidates. Carole Campbell joined the Board on 1 September 2020, and her profile is included on SCA's website. It is proposed that Ido Leffler and Heith Mackay-Cruise will join the Board after this year's AGM. All three will submit for election by shareholders at this year's AGM.

### Board skills matrix

The Board has a highly relevant and diverse range of expertise and works well as a team. The following matrix identifies the skills and experience of the Board that enable it to meet the current and future challenges of the Group:

Peter Bush	Leon Pasternak	Grant Blackley	Glen Boreham	Carole Campbell	Rob Murray	Helen Nash	Melanie Willis	Total
<b>Strategy:</b> Competency in development and implementation of strategic and transformational thinking, including how data, technology and customer insights can drive strategy development and business model innovation								
✓	✓	✓	✓		✓	✓	✓	7
<b>Executive leadership:</b> Successful leadership of large organisations								
✓	✓	✓	✓		✓	✓	✓	7
<b>Governance:</b> Experience as a director of ASX listed businesses. Understanding of corporate governance, including ASX listing requirements, Corporations Act and relevant legislative frameworks								
✓	✓	✓	✓	✓	✓	✓	✓	8
<b>Media expertise:</b> Expertise and experience in the media industry and in transforming media businesses due to the growth of digital products, platforms and sales								
✓	✓	✓	✓	✓				5
<b>Marketing and sales</b> Expertise and experience in marketing and sales (particularly advertising sales)								
✓		✓			✓	✓		4
<b>Financial acumen</b> Expertise and experience in understanding finance and financial reporting, including financial risk management and risk frameworks								
✓	✓	✓	✓	✓	✓	✓	✓	8
<b>Debt and capital markets</b> Experience in debt and capital structuring								
✓	✓	✓		✓			✓	5
<b>Acquisitions and divestments:</b> Experience in mergers, acquisitions, divestments, and strategic partnerships								
✓	✓	✓	✓		✓	✓	✓	7
<b>Technology:</b> Experience in technology and technology projects								
		✓	✓		✓			3



# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

### Board independence

The Board assesses the independence of directors on appointment and annually thereafter. All directors are expected to bring independent judgment to bear on Board decisions and to act in the best interests of SCA and security holders generally. Relevant factors include whether a director:

- is independent of management and free of business or other associations that could materially interfere with, or reasonably be perceived to interfere materially with, the exercise of independent judgment
- has been a director of the Group for such a period that independence may have been compromised.

The Board considers that all directors, except for Grant Blackley who is an executive director, are independent. This includes Melanie Willis, who is also a non-executive director of one of SCA's substantial shareholders, Challenger Limited. Challenger's relevant interest in SCA shares arises through its minority shareholdings in two boutique investment funds. Challenger provides administration and distribution services to each of these funds, but each fund has day-to-day discretion in its investment decisions. The board of Challenger does not direct or exert any practical influence over these funds' decisions in relation to their acquiring or disposing of investments or in relation to their voting on matters relating to any such investments.

### Role of the Board

The Board is responsible for the overall corporate governance of SCA. The Board's roles and responsibilities are formalised in the Board Charter.

Under the Board Charter, the responsibilities of the Board are:

- approving and monitoring implementation of SCA's strategic objectives, policies and budgets
- monitoring SCA's financial performance and operations, including approval of the annual and half year financial statements and reports
- approving major investments and monitoring the return on those investments
- 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 SCA's senior leadership team and the company secretary
- monitoring the performance and development of the CEO and SCA's

senior leadership team

- overseeing the remuneration framework and succession planning for the CEO and SCA's senior leadership team
- approving SCA'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
- monitoring SCA's compliance with legal and regulatory requirements and ethical standards.

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

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

### Chair and Deputy Chair

The directors vote among themselves to elect an independent non-executive director as the Chair and, if they so choose, a Deputy Chair. Rob Murray became Chair on 19 August 2020, taking over from Peter Bush who had been Chair since joining the Board on 25 February 2015. The Deputy Chair of the Board is Leon Pasternak. The Board has decided not to elect a Deputy Chair after Mr Pasternak's retirement at the AGM in October 2020.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

**The Chair leads the Board, fostering an open and collegiate culture to ensure the Board operates effectively. The Chair is responsible for:**

- promoting a constructive relationship between the Board and management through the CEO
- managing the efficient organisation and conduct of the Board's functions and meetings
- overseeing regular and effective evaluations of the Board's performance
- exercising other powers delegated by the Board from time to time.

The Deputy Chair chairs Board meetings when the Chair is absent or otherwise not able to do so and provides other support as required by the Chair.

### Delegation to CEO

As permitted by SCA's Constitution, the Board has delegated to the CEO all powers and authorities required to manage and control SCA's day to day operation, except those powers and authorities reserved to the Board as described in the Board Charter or delegated to one of the Board's Committees. SCA's CEO and Managing Director is Grant Blackley.

**The CEO leads SCA's management and is therefore responsible to the Board for:**

- managing and controlling SCA's day-to-day operations in accordance with the strategic objectives, policies and budgets adopted by the Board
- providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

### Board meetings

Board meetings are scheduled approximately eight times per year, with other meetings called as required. Additional meetings were held during the year for the purposes of the equity raising conducted in April and May 2020 and to monitor the Company's financial and operational performance under the impact of the COVID-19 health crisis and the associated government restrictions. Meetings attended by directors for FY2020 are reported in the Directors' Report in the 2020 Annual Report.

In advance of Board meetings, directors receive papers with sufficient information to enable informed discussion of all agenda items. Papers are distributed and remain available for ongoing reference by directors through a secure electronic board portal. Minutes of Board meetings are tabled and confirmed at the following Board meeting.

### Director appointment and re-election

SCA's Constitution authorises the Board to appoint a new director, either to fill a casual vacancy or as an addition to the existing directors, provided the total number of directors is no more than nine. A director appointed by the Board holds office only until the close of the next AGM but is eligible for election by shareholders at that meeting.

SCA's Constitution specifies that all directors must retire from office no later than the third AGM following their last election. Where eligible, a director may stand for re-election.

All new directors are subject to appropriate checks prior to appointment. The Nomination Committee assists the Board in selecting candidates for appointment as a director. The Board has also engaged Egon Zehnder to assist with selection of candidates for appointment as a director.

**When a candidate is standing for election or re-election, shareholders are provided with the following information to allow them to make an informed decision on whether to elect or re-elect the candidate:**

- biographical details of the candidate, including relevant qualifications, experience and skills
- details of any other material directorships held by the candidate
- any material adverse information revealed by the checks SCA has performed about the candidate
- details of any interest, position, association or relationship that might influence in a material respect, or might reasonably be perceived to influence in a material respect, the candidate's capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the Company and its security holders generally
- the term of office served by the candidate if a current director
- if the Board considers the candidate to be an independent director, a statement to that effect
- a statement by the Board as to whether it supports the election or re-election of the candidate.

### Director induction

SCA enters into a letter of appointment with each non-executive director. The letter sets out the Board's expectations for non-executive directors and the remuneration payable to non-executive directors. Each new director is invited to participate in an induction program, which includes meeting with other directors and members of SCA's senior leadership team to gain a greater understanding of the business.



# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

Directors are provided with opportunities to participate in any continuing education programs organised for the Board to develop and maintain the skills and knowledge needed to perform their role. This may take the form of presentations by management or external parties on responsibilities of directors, the industries in which SCA operates and other matters. During FY2020, the Board received briefings from all members of SCA's senior leadership team on their respective areas of responsibility, as well as external presentations in relation to whistleblowing legislation, SCA's insurance program, taxation governance and risk, and merger and acquisition threats and opportunities.

### Board performance evaluation

The Chair oversees regular evaluations of the performance of individual directors, Committees and the Board. This includes discussions with individual directors about their contributions at and between meetings of the Board and its Committees.

The Chairman led an internal performance evaluation of the Board during the year. Directors completed a questionnaire and discussed their responses with the Chair.

## Board Committees

**The Board has three standing Committees: the Audit & Risk Committee, the People & Culture Committee and the Nomination Committee. The responsibilities of each Committee are set out in a Charter approved by the Board.**

In advance of each meeting, Committee members receive papers with enough information to enable informed discussion of all agenda items. Papers are distributed and remain available for ongoing reference by Committee members and other directors through a secure electronic board portal. Minutes of Committee meetings are tabled and confirmed at the following Committee meeting and are tabled for information at Board meetings.

### Audit & Risk Committee

The members of the Audit & Risk Committee are Melanie Willis (Chair), Glen Boreham and Helen Nash. Details of meetings held during the year and attendance by Committee members are set out in the Directors' Report in the 2020 Annual Report.

### Remuneration of non-executive directors

The Chair and the Deputy Chair receive a fixed aggregate fee. Other non-executive directors receive a base fee for acting as a director and additional fees for participation as chair or as a member of the Board's Committees. Non-executive directors do not receive performance-based fees and are not entitled to retirement benefits as part of their fees.

The maximum annual aggregate fee pool for non-executive directors is \$1,500,000. This was approved by shareholders at the 2011 AGM.

Further details of the remuneration paid to non-executive directors is provided in the Remuneration Report.

### Independent professional advice

The Charters of the Board and its Committees set out procedures for directors to obtain independent professional advice at SCA's expense.

### Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

**The Audit & Risk Committee assists the Board in its oversight of:**

- the integrity of SCA's financial reporting
- the making of informed decisions regarding accounting policies, practices and disclosures
- SCA's tax strategy, compliance and reporting and management of tax risk
- the effectiveness of SCA's risk management framework
- the appointment, independence, performance and remuneration of the external auditor and the integrity of the audit process.

### People & Culture Committee

The members of the People & Culture Committee are Helen Nash (Chair), Glen Boreham, Rob Murray and Melanie Willis. Details of meetings held during the year and attendance by Committee members are set out in the Directors' Report in the 2020 Annual Report.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

**The People & Culture Committee assists the Board in its oversight of management activities in:**

- developing and implementing strategies aimed at improving SCA's culture and diversity, consistent with the organisation's values
- undertaking executive development, succession and talent management programs and activities
- promoting a healthy and safe working culture for SCA's employees, contractors, audience members, clients and visitors
- providing effective remuneration policies aligned with creation of value for shareholders, and having regard to applicable governance, legal and regulatory requirements and industry standards
- reporting to shareholders and other stakeholders according to applicable standards.

### Nomination Committee

The members of the Nomination Committee are Peter Bush (Chair), Rob Murray and Helen Nash. The Committee consults with other directors about its responsibilities. As explained in the Directors' Report in the 2020 Annual Report, members of the Nomination Committee met informally during the year to discuss Board succession and the Board engaged Egon Zehnder to help with succession matters. The Nomination Committee worked with Egon Zehnder to confirm the needs of the Board and to develop a short list of candidates. As a result of that process, Carole Campbell joined the Board as a non-executive director on 1 September 2020 and it is proposed that Ido Leffler and Heith Mackay-Cruise will do so after the AGM on 30 October 2020.

The Nomination Committee assists the Board on:

- Board composition and succession planning
- director performance evaluation processes and criteria
- succession planning for senior executives.

## Executive Remuneration And Performance

**The Board has adopted a Senior Executive Remuneration Framework. The Framework aims to ensure that reward for performance is competitive and appropriate for the results delivered, aligning executive reward with achievement of strategic objectives and the creation of value for shareholders, consistent with market practice for delivery of reward.**

Information about SCA's remuneration policies and practices for the CEO and other senior executives, and their remuneration during FY2020, is set out in the Remuneration Report in the 2020 Annual Report.

In accordance with the Board's Senior Executive Evaluation Policy, the performance of the CEO is reviewed at least annually by the non-executive directors and the CEO at least annually reviews the performance of all other senior executives. Performance is evaluated against personal and corporate goals. As outlined in the Senior Executive Remuneration Framework, these goals are allocated to three categories having regard to SCA's business strategy: profitability and financial performance (40%), high level operational improvements (40%) and cultural and behavioural influences (20%). This recognises the long-term benefits of SCA's leaders committing to develop and

maintain a strong culture and operational discipline.

Led by the Board Chair and the Chair of the People & Culture Committee, the Board conducted an evaluation of the CEO's performance and reviewed the CEO's evaluation of his direct executive reports during the year. As explained in the Remuneration Report, because of the severe impact on SCA's business of the COVID-19 health crisis and the measures implemented by federal, state and territory governments in response, all executive bonuses were cancelled in FY2020. These actions did not reflect on the effort or quality of work by executives during the year; rather they acknowledged the impact of COVID-19 on the Company's financial performance and on returns to the Company's shareholders

Under the Senior Executive Share Ownership Policy, SCA's senior leadership team is required to accumulate and retain a minimum shareholding in SCA. Unless a leadership executive has already met the minimum shareholding requirement, 25% of any shares allocated to the executive on vesting of Performance Rights under the LTI plan and the equity portion of the executive's STI awards will be subject to a disposal restriction until cessation of employment.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

### Risk Management And Integrity Of Financial Reporting

#### Risk management

The Board has adopted a Risk Management Framework and a Risk Management Policy. They establish a holistic approach to risk management that promotes an integrated and informed view of risk exposures across SCA's activities and operations. The framework is the total of systems, structures, policies, processes and people within SCA that identify, assess, control and monitor all sources of risk that could have an impact on SCA. It provides management with:

- an integrated framework to effectively manage uncertainty and obligations, respond to risks, as well as capitalise on opportunities as they arise
- minimum standards for the governance, processes and tools required to administer the requirements of the Risk Management Policy
- the ability to manage risks across SCA by providing accurate and timely reporting on the profile of risks and controls across SCA.

The Audit & Risk Committee assists the Board to oversee the risk management framework and any matters of significance affecting SCA's financial reporting and internal controls. This includes annual review of the Risk Management Framework and Risk Management Policy.

SCA has adopted the following categories of risks that affect its activities:

- strategy and planning
- brands and content
- sales and distribution
- infrastructure
- governance, risk and compliance.

To guide its decision-making, SCA has defined its tolerance for risk in each of the above risk categories. These tolerances are set out in the Risk Appetite Statement included in the Risk Management Framework.

SCA's management team is responsible for day-to-day implementation of the risk management framework and internal controls within SCA. Each risk is allocated to a risk owner with direct responsibility for managing that risk, including implementing mitigation strategies and escalating to senior management if required. Management reports regularly to the Board through the CEO on the status of SCA's material business risks. Risks rated High or Very High are reviewed at each meeting of the Audit & Risk Committee. During FY2020, this reporting was enhanced to include target ratings for these risks and additional information about the impact of mitigating actions on the trend of these risks.

Current High or Very High business and operational risks include the following:

- broadcast radio markets begin to contract
- SCA radio networks are not positioned to maximise market share
- decrease in the size of the free-to-air television market at a faster rate than forecast
- free-to-air on-demand television and subscription products erode regional television market
- exposure to a declining free-to-air broadcast advertising model
- new products emerge that are more compelling than linear radio
- global technology platforms alter the distribution landscape, leading to a loss of revenue
- cyber risk through exposure to third party service providers.

Further details about these risks and SCA's mitigation strategies are outlined under Material Risks in the Review and Results of Operations in the 2020 Annual Report.

#### Tax governance

SCA continues to strengthen its tax governance framework to reduce risk and to earn a "justified trust" assessment from the ATO. Steps taken to date include adoption by the Board of a Taxation Risk and Governance Policy, rolling out a detailed operational tax governance policy to guide employees with tax responsibilities and adoption of the ATO's voluntary Tax Transparency Code. Since 2019, SCA has published an annual Tax Transparency Report.

#### Internal audit

SCA has not implemented an internal audit function. The Board considers that SCA's operations do not require this to be introduced as a separate function to those functions undertaken by the external auditors and the Audit & Risk Committee. SCA from time to time engages independent expert consultants to review and provide assurance about corporate functions, processes and activities. This includes compliance reviews in relation to legal, finance and taxation requirements and periodic penetration testing and threat assessment in relation to technology systems and interfaces. The Audit & Risk Committee receives reports on these reviews, including in relation to corrective actions identified and implemented.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

### Assurance

#### The CEO and CFO have declared in writing to the Board that:

- financial records have been properly maintained in that they correctly record and explain SCA's transactions, and financial position and performance, enable true and fair financial statements to be prepared and audited; and are retained for seven years after the transactions covered by the records are completed
- the financial statements and notes required by the accounting standards for the financial year comply with the accounting standards
- the financial statements and notes for the financial year give a true and fair view of SCA's financial position and performance
- any other matters that are prescribed by the Corporations Act and regulations as they relate to statements and notes for the financial year are satisfied

- in accordance with section 295A of the Corporations Act, in their view the financial statements are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Audit & Risk Committee maintains open lines of communication between the Board, management and the external auditors to enable information and points of view to be freely exchanged. The Board has appointed PwC as SCA's external auditor. PwC's audit engagement partner attends each meeting of the Audit & Risk Committee and periodically meets separately with the Chair of the Audit & Risk Committee.

PwC's audit engagement partner also attends SCA's AGM and is available to answer questions from security holders about the conduct of the audit, and the preparation and content of the auditor's report.

Trevor Johnston assumed the role as PwC's audit engagement partner in FY2020. To ensure an effective transition, Mr Johnston shadowed PwC's audit and attended meetings of the Audit & Risk Committee during FY2019.

## Company Policies

### Code of Conduct

SCA's Code of Conduct sets out principles and standards that apply to all directors, employees and certain contractors and consultants.

The Code of Conduct is underpinned by a range of more specific policies setting out SCA's expectations, practices and procedures for directors, employees and certain contractors and consultants. These policies are made available through SCA's employee intranet and, where applicable, to contractors and consultants. Induction and periodic training are provided to all employees on key policies relating to matters such as workplace health and safety and radio and television codes of practice.

SCA has detailed grievance procedures that have proved effective for investigation and resolution of issues that arise in the workplace or in relation to the way in which SCA conducts its business. These procedures are complemented by a Whistleblower Policy introduced from 1 January 2020 in accordance with the Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019. Training for directors and other parties eligible to receive protected disclosures under the new legislation was provided during the year.

The Audit & Risk Committee receives reports at six monthly intervals, and at other times as required, on whether there have been any material incidents reported under the Code of Conduct or the Whistleblower Policy.

SCA published its first Modern Slavery Statement in August 2020, in accordance with the Modern Slavery Act 2018. SCA has published a

Supplier Code of Conduct on our website and have reviewed responses to a questionnaire from major suppliers and other suppliers operating in high risk sectors. We have assessed there to be a low risk of SCA's operations directly resulting in modern slavery practices. However, there is a higher risk that SCA could be linked to modern slavery practices through the activities of other entities with which we have a business relationship. For example, SCA could purchase equipment manufactured by an entity using forced or child labour. Our review during FY2020 did not identify any serious risk of modern slavery in SCA's current supply chains.

### Trading in company securities

SCA's Securities Trading Policy prohibits directors and certain executives from dealing in SCA's securities during certain "blackout periods" leading up to announcement of SCA's half-year and annual results and SCA's AGM. A blackout period may also be declared where directors and executives are in possession of price-sensitive information that is not generally available (and is not required to be disclosed to ASX under the ASX Listing Rules and the Corporations Act). The Board considers at every meeting whether any of the matters discussed at the meeting are price-sensitive so that a blackout period should be declared.

The Securities Trading Policy also provides a summary of the "insider trading" provisions of the Corporations Act so that all employees are aware of their obligations not to deal in SCA's securities (or the securities of any other entity) while in possession of price-sensitive information that is not generally available.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

The Securities Trading Policy provides that directors and executives may not engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to SCA's securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of SCA's securities.

### External communications

SCA's External Communications Policy outlines how SCA manages external communications, including to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act and to appropriately manage communications with the investment community, media, media regulatory agencies, industry bodies and shareholders. This policy was updated in February 2020.

## Sustainability

SCA aims to have a positive influence on its communities, including our employees and contractors, our audiences, advertising clients, and shareholders, as well as the broader communities in the many metropolitan, regional and rural locations in which we operate.

### Social sustainability

#### Our culture

SCA aims to be the place where the best talent, both on and off-air, want to work to deliver great content for our audiences and sustainable financial returns for our clients and shareholders.

We are continuing our work with Human Synergistics on building a high-performance culture where our people can thrive and perform at their best.

Organisational Culture Inventory (OCI) surveys in 2016 and 2018 have provided valuable information about the strengths of the organisation and areas where SCA and individual offices or teams fall short of benchmarks for high performing organisations. Recognising that the biggest impact on culture is leadership, we implemented a two-year program designed to further build leadership capability within our business. We were pleased that there were meaningful improvements in the results of the two OCI surveys, with the organisation maintaining above global average constructive styles and reduced defensive styles in the 2018 survey.

#### The next OCI survey will be conducted during the new financial year.

During FY2020, SCA continued to partner with the Australian School of Applied Management to provide the company's leaders with executive level training on leading in times of change, executing strategy, inspiring trust and coaching for high performance. Structured learning and

Communications with shareholders occur through ASX announcements, the annual report and half-yearly update, investor roadshows and briefings. All information disclosed to the ASX is posted on SCA's website. Investors are encouraged to attend and participate in the AGM, which will be held in October 2020.

For formal meetings, an explanatory memorandum on the resolutions is included with the notice of meeting. If investors cannot attend formal meetings, they are able to lodge proxy forms by post or fax or to complete an online proxy form. SCA conducts voting by a poll on all resolutions at general meetings.

SCA gives its shareholders the option to receive communications from, and send communications to, SCA and its securities registry electronically.

development programs, and access to an internal mentoring program, are also provided to middle managers and other emerging talent within SCA.

Learning and development programs were suspended in the second half of FY2020 as the business addressed the impacts of COVID-19.

These programs will be reinstated in the new financial year to ensure SCA continues to equip its people with the skills and resilience for future success.

### Our values

**We have five values that represent the expectations SCA and its people have for themselves and each other, and which guide day-to-day decisions and the way employees behave:**

- **We COLLABORATE:** We work as a team. Together, we deliver our best.
- **Take INITIATIVE:** Each of us is responsible for exceeding expectations. We go the extra mile.
- **Maximise CREATIVITY:** We lead with fresh thinking. We create winning ideas.
- **Have COURAGE:** We always show strength and spirit. We stand up for our beliefs and each other.
- **Act with INTEGRITY:** We do what's right and act with transparency and honesty. We deliver on our promises.

### Diversity and inclusion

SCA believes that business performance is enhanced by a diverse workforce where all employees are treated with respect and fairness

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

and have equal access to opportunities. We aim to create a living, creative organisation that understands the diversity of our audiences and advertisers.

Supporting this belief, the Board has adopted a Diversity Policy and receives regular reports from management about diversity and inclusion initiatives. One of the Board's non-executive directors, Glen

Boreham, is a founding member of Male Champions of Change (<http://malechampionsofchange.com>). Another, Melanie Willis, is a non-executive director of Chief Executive Women (<https://cew.org.au/>).

The table below sets out the gender composition of SCA's Board and workforce, along with the targets set by the Board.

### Gender composition within SCA on 31 July 2020

Category	Actual females at 30 June 2019	Actual females at 31 July 2020	Board target for females by 30 June 2020
<b>Board (non-executive)</b>	33%	%	40%
<b>Board (all)</b>	28%	28%	40%
<b>Senior management roles</b>	30%	40%	40%
<b>Middle management roles</b>	51%	60%	50%
<b>Workforce</b>	53%	55%	50%

Senior management is defined as being part of the National Executive Team, comprising 42 employees on 30 June 2019 and 45 employees on 3 July 2020. Middle management roles refer to all other roles that have "manager" in their title.

All gender targets for the workforce on 30 June 2020 have been achieved. As reported above, the Board has commenced a succession process to replace two retiring directors. The recruitment brief specified that long and short lists of candidates should include an appropriate proportion of men and women. Since 31 July 2020, Carole Campbell has joined the Board as a non-executive director, taking the proportion of female non-executive directors to 42%.

### The Board has established the following new gender diversity targets for SCA's Board and workforce:

Category	Actual females at 31 July 2020	Target females by 30 June 2022	Target females by 30 June 2024
<b>Board (non-executive)</b>	33%	40%	40%
<b>Board (all)</b>	28%	40%	40%
<b>Senior management roles</b>	40%	45%	50%
<b>Middle management roles</b>	60%	50%	50%
<b>Workforce</b>	55%	50%	50%

In accordance with the requirements of the Workplace Gender Equality Act 2012 SCA has lodged its annual 2020 compliance report with the Workplace Gender Equality Agency. A copy of the report is available on SCA's website under the Investors tab.

The results achieved to date reflect programs introduced in recent years to encourage flexible work practices such as working from home, job sharing, late start and early finish working hours and time off for school and other events. These have helped our people – both men and women – to successfully manage their career and family life through a practical work-life balance.

To consolidate and build on the progress made to date, we have taken the opportunity presented by the business impacts of COVID-19 to enhance our approach to workplace flexibility. This new framework will be rolled out in the new financial year as the economic recovery phase begins and teams



# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

around our 62 locations return to their offices. Our focus will focus on achieving work outcomes, rather than on how or where our people are working. Teams will develop their own way of working that identifies how individual members will work and collaborate to achieve corporate, team and individual goals, including expectations about attendance in the office and use of technology to enable remote working.

This new framework is designed to ensure that SCA will lead the way as an 'always on' media organisation that prioritises employee wellbeing while delivering exceptional outcomes for our audiences, clients and shareholders.

### Workplace health, safety, and wellbeing

SCA manages workplace health and safety risks in an active way. Local managers monitor and manage risks at their workplaces, ensuring that risks are identified, assessed and managed proactively and not only in response to an incident.

The Board receives regular reports on SCA's management of workplace health and safety risks, as well as briefings on the responsibility of directors and officers in relation to these matters.

SCA has recorded the following lost hours due to workplace injuries in the past four years:

Year ended 30 June	2016	2017	2018	2019	2020
<b>Total hours lost due to workplace injury (percentage of total hours worked)</b>	0.03%	0.07%	0.016%	0.021%	0.065%

In FY2020, SCA recorded a lost time injury frequency rate (**LTIFR**) of 1.48 days lost per million hours worked. This compares to the broadcasting industry benchmark of 1.4 published by SafeWork.

Key risks managed on a day-to-day basis include security arrangements for high profile performers and on-air announcers and conducting "stunts" for on-air radio content. Measures have been implemented in all of our locations to educate our people about workplace risks associated with COVID-19 and to manage those risks in our workplaces. These measures have included provision of sanitiser and hygiene products, regular and deep cleaning of high risk areas, social distancing, and restrictions on visitors and deliveries. Many of our offices have closed for substantial periods during the pandemic to ensure compliance with government requirements and to manage relevant risks.

During FY2020, we outsourced our television playout operations and our broadcast transmission services to specialist service providers. Among other things, an important effect of these transactions has been to reduce the range of workplace risks for which SCA is directly responsible. Risks relating to engineers travelling in remote areas and working in remote areas and at heights on high voltage transmission equipment and other electrical equipment, and managing asbestos in old office buildings and equipment shelters in regional areas are now managed directly by SCA's specialist service providers.

**Training has been provided to managers to help them to identify and mitigate risks associated with mental health, which is an area of ongoing significance in media businesses. This risk has been heightened by the ongoing personal and business challenges posed by COVID-19.**

**Initiatives to promote the health and wellbeing of our people include the following, and these have been tailored and complemented to deal specifically with the circumstances and impacts of COVID-19:**

- provision of an employee assistance program (**EAP**) and counselling services
- maintenance of a wellbeing portal on the company intranet
- partnering with Beyond Blue to provide talks about mental health to our people
- provision of access to financial management advice and counselling.

In addition to ensuring a safe workplace through workplace health and safety processes, SCA encourages employees to raise any concerns regarding their wellbeing with management or the People and Culture team. Any concerns, whether raised formally or informally, are taken seriously and addressed in a timely manner. SCA's EAP provides free counselling sessions for employees, who have access to this service 24/7.

# Southern Cross Media Group Limited

## Corporate Governance Statement 2020

### Connecting and supporting communities

As a local media organisation, SCA is part of the fabric of regional and rural communities. We are Proudly National, Fiercely Local.

Just over half of our 1600 permanent employees are located in our regional markets.

SCA's local news services on radio and television keep communities up to date on the issues that matter to them, as well as providing local skilled jobs, promoting local events, supporting local businesses, providing local advertising opportunities and supporting local charities and community initiatives. In conjunction with the Nine Network, SCA broadcasts local television news bulletins in regional Victoria, southern New South Wales and regional Queensland. SCA produces nightly news bulletins for its Seven television service in Tasmania, and news updates for several other regional television markets.

SCA is a proactive contributor to the community. This is primarily through the annual Give Me 5 for Kids campaign, which raises funds for children's hospitals and children's wards in regional Australia. This campaign was suspended during FY2020 due to the impacts of COVID-19, but several business partners continued to raise funds under the GM5FK banner during the year. Supported by the volunteer spirit of our workforce, SCA ensures that all funds raised are donated to local health services.

SCA is in the middle of two-year partnerships with The Smith Family and Beyond Blue. These organisations have causes aligned with the values and demographic profile of our brands, audience and employees. SCA contributes its significant media assets and volunteer workforce to help these organisations to grow and develop their charitable activities.

### Responsible broadcasting

SCA adheres to applicable laws, as well as codes of practice, relating to broadcasting of commercial television and radio programs to ensure broadcast material takes account of prevailing community standards while promoting responsible freedom of speech. SCA provides training to on-air, production and other staff regarding its broadcasting responsibilities and has established comprehensive internal procedures to ensure that complaints about broadcast material are properly investigated and responded to and, where necessary, to ensure that corrective action is taken.

### Environmental sustainability

SCA does not have any material environmental risks and is not required to report under the National Greenhouse and Energy Reporting Act. During the FY2020, SCA did not receive notice of any environmental breaches, improvement notices, fines or non-compliance notices from any regulatory bodies. There were no environmental accidents because of SCA's business operations.

As a result of the outsourcing of broadcast transmission services to BAI Communications, it is expected over time that improvements in the maintenance and performance of SCA's transmission assets through replacement of end-of-life transmission equipment with more energy efficient units will reduce the environmental impact of SCA's broadcast operations.

Energy efficiency continues to be an important factor in selection of equipment and systems to be installed in new or refurbished offices. SCA also encourages local offices to pursue environmental initiatives, such as recycling of office supplies and consumables.

SCA has offices and operations in locations that are subject to significant weather events, including storms, floods and bushfires. SCA has detailed and well-rehearsed plans to respond to and recover from events of this nature. In addition, SCA collaborates with emergency and essential services organisations and maintains procedures to broadcast warnings and information from emergency and essential services organisations where there is an existing or threatened emergency. Radio is a key source of information for communities affected by emergency events, particularly if power and telecommunications infrastructure are affected by an emergency event.



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