

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

SOUTHERN CROSS MEDIA GROUP LIMITED

ABN / ARBN:

91 116 024 536

Financial year ended:

30 JUNE 2015

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: [Corporate-Governance-Statement](#)

The Corporate Governance Statement is accurate and up to date as at 24 September 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 25 September 2015

Name of Director or Secretary authorising
lodgement:



Tony Hudson
Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/Board_Charter_2012.pdf
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) 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.	... the fact that we have a diversity policy that complies with paragraph (a): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of our diversity policy or a summary of it: <input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/Diversity_Policy_Approved_2012.pdf ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and the information referred to in paragraphs (c)(1) or (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2015/08/Workplace-Gender-Equality-Report-2015.pdf

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
PRINCIPLE 2 - STRUCTURE THE BOARD TO 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,</p> <p>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>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2015/02/Board-Nomination-Committee-Charter.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> at page 20 of the Annual Report</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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, association 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, association 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>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> at pages 18-20 of the Annual Report</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/Code_of_Conduct_2012.pdf</p>

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
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>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/Audit_and_Risk_Committee_Charter_2012.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> at page 20 of the Annual Report</p>
4.2	<p>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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
4.3	<p>A 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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/External_Communications_Policy_2012.pdf</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/investors/governance/</p>

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/Audit_and_Risk_Committee_Charter_2012.pdf ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> at page 20 of the Annual Report
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and that such a review has taken place in the reporting period covered by this Appendix 4G: <input checked="" type="checkbox"/> in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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 risk management and internal control processes.	... 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2012/08/Risk_Management_Policy_2012.pdf

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> at page 16 of the Annual Report</p>
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>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.southerncrossaustereo.com.au/wp-files/uploads/2015/02/Board-Remuneration-Committee-Charter.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> at page 20 of the Annual Report</p>
8.2	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>... separately our remuneration 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"/> in our Corporate Governance Statement</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>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> at page 35 of the Annual Report</p>

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CORPORATE GOVERNANCE STATEMENT 2015



SOUTHERN CROSS AUSTEREO
absolutely engaging

Board of Directors	1
Composition of the Board	1
Board Skills Matrix	2
Board Independence	2
Role of the Board	3
Delegation to Senior Management	4
Board Meetings	5
Director Appointment and Re-Election	5
Director Induction	5
Board Performance Evaluation	5
Independent Professional Advice	6
Company Secretary	6
Board Committees.....	6
Audit and Risk Committee	6
Nomination Committee	7
Remuneration Committee	7
Executive Remuneration and Performance.....	8
Risk Management and Integrity of Financial Reporting	8
Risk Management	8
Internal Audit	9
Material Risks.....	9
Assurance	9
Company Policies.....	9
Code of Conduct.....	9
Trading in company securities	10
External communications.....	10
Sustainability	11
Sustainability: Economic	11
Sustainability: Environment	11
Sustainability: Social Sustainability	11
Sustainability: Community	14

This Corporate Governance Statement was authorised for issue by the Directors on 24 September 2015.

This statement outlines the corporate governance framework and practices of Southern Cross Media Group Limited ("Company"). This statement was authorised for issue by the Board on 24 September 2015. Unless specified otherwise, the information in this statement is current as at 24 September 2015.

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

The key corporate governance practices are set out below, including summaries of relevant Group policies. The 2015 Annual Report, Company Constitution, Board Charter, Board Committee Charters, Risk Management Policy, Code of Conduct, Securities Trading Policy, Senior Executive Evaluation Policy, Diversity Policy, and Communications and Disclosure Policy are available on the Southern Cross Austereo website www.southerncrossaustereo.com.au, under the Investors tab.

Board of Directors

Composition of the Board

The Board is structured to add value to the overall corporate governance of the Company and the Group, in accordance with the Board Charter.

Membership of the Board and its Committees at 30 June 2015 is set out below:

Director	Membership Type	Length of Service (Years)	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Peter Bush¹	Independent Chairman	0.3			Chair
Leon Pasternak	Independent			Chair	
	Deputy Chairman	9.8			
Chris de Boer	Independent	9.8	Chair	Member	
Peter Harvie	Independent	3.9			Member
Kathy Gramp²	Independent	0.8	Member	Member	
Rob Murray²	Independent	0.8	Member		Member
Glen Boreham²	Independent	0.8		Member	
Helen Nash³	Independent	0.2	Member		
Grant Blackley⁴	CEO/Managing Director	0.0			

¹ Peter Bush was appointed on 25 February 2015

² Kathy Gramp, Rob Murray and Glen Boreham were appointed on 1 September 2014

³ Helen Nash was appointed on 23 April 2015

⁴ Grant Blackley was appointed Chief Executive Officer ("CEO") and Managing Director on 29 June 2015

The Company has a written agreement with each Director setting out the terms of his or her appointment.

Profiles of the Directors, including details of their skills, experience and expertise, are set out in the Directors' Report in the 2015 Annual Report.

The Board embarked on a significant renewal process during the 2015 financial year. As at 30 June 2015, the average tenure of the Board was 2.9 years, with a median tenure of 0.8 years, compared to 30 June 2014 where the average tenure of the Board was 5.9 years, with a median tenure of 6.2 years. The renewal process has enabled the Board to appoint experienced and talented directors with highly relevant and diverse expertise.

Board Skills Matrix

Members of the Board have a broad range of industry, financial and other skills, knowledge and experience to effectively guide the business. Directors with a range of qualifications, expertise and experience are appointed to enable the Board to effectively discharge its duties and to add value to its deliberations.

The following skills matrix identifies the skills, knowledge, experience and capabilities of the Board that enable it to meet the current and future challenges of the Group:

Media Expertise	Expertise and experience in the media industry
Strategy	Competency in development and implementation of strategic thinking
Executive Leadership	Successful leadership of large organisations
Board Positions	Experience as a Board director for ASX listed businesses
Financial Acumen	Expertise and experience in understanding finance and financial reporting, including financial risk management and risk frameworks
Governance	Understanding of good corporate governance, including ASX listing requirements, Corporations Act and relevant legislative framework
Marketing and Sales	Expertise and experience in marketing and sales (particularly advertising sales)
Acquisitions and Divestments	Experience in mergers, acquisitions and divestments
Debt and Capital Markets	Experience in debt and capital structuring
Technology	Experience in technology and technology projects
Regulatory and Industry	Involvement in regulatory reviews of media

Board Independence

The Board assesses the independence of Directors on appointment and annually thereafter. All Directors, whether classified independent or not, are required to bring independent judgement to bear on Board decisions.

‘Independence’ is assessed having regard to a range of considerations, including whether directors:

- are independent of management and are free from any business or other association that could materially interfere with, or reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement;
- are financially independent and have a demonstrated ability to exercise independence of mind and conduct; or
- have been directors of the entity for such a period that independence may have been compromised.

The Group considers all Directors, except for Grant Blackley who is an Executive Director, to be independent. The Board has considered the manner of the appointment of both Leon Pasternak and Chris de Boer as Directors, originally pursuant to special share rights held by Macquarie Media Management Limited (“MMML”), and also their tenure as Directors, and continues to consider them both Independent Directors.

Classification of Leon Pasternak as Independent Director

Leon Pasternak has been a Director of the Company since it was part of the stapled structure known as the Macquarie Media Group (“MMG”). At that time he was also an Independent Director of MMML (then a Macquarie entity that was the responsible entity (trustee) and investment manager of MMG entities). Leon was initially appointed to these directorships to provide independent leadership to the management of MMG and was at the time considered to be

independent from Macquarie and an Independent Director of the Company.

Leon was considered independent because he had not been, within the three years prior to his appointment to the Board, a principal or employee of a professional adviser to MMG, Macquarie or Macquarie-managed vehicles whose billings to MMG, Macquarie or other Macquarie-managed vehicles over the previous full year, in aggregate, exceeded 5% of the adviser's total revenues over that period.

Leon continues not to have any financial or other relationship with any substantial shareholder that may preclude him from being considered independent by the current Board.

Leon was initially appointed to the Board pursuant to special share rights held by MMML, but has since been re-elected by the shareholders of the Company on three occasions.

The Board has considered whether the manner of these appointments, or his tenure as a Director, might interfere, or might reasonably be seen to interfere, with Leon's capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company and security holders generally. The Board of the Company also considers that Leon has demonstrated an independence of mind in Board deliberations. Having assessed his associations, experience and performance, the Board is satisfied that Leon is an Independent Director.

Classification of Chris de Boer as Independent Director

The Board notes that Chris de Boer was similarly appointed to the Board of the Company by MMML pursuant to the exercise of its special share rights, and at the time was also an Independent Director of MMML. Chris was considered independent because he had not been, within the three years prior to his appointment to the Board, a principal or employee of a professional adviser to MMG, Macquarie or Macquarie-managed vehicles whose billings to MMG, Macquarie or other Macquarie-managed vehicles over the previous full year, in aggregate, exceeded 5% of the adviser's total revenues over that period.

He continues not to have any financial or other relationship with any substantial shareholder that would preclude him from being considered independent by the current Board.

Chris has since been re-elected by the shareholders of the Company on two occasions. The Board has considered whether the manner of these appointments, or his tenure as a Director, might interfere, or might reasonably be seen to interfere, with Chris' capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company and security holders generally. Having assessed his associations and experience, the Board is satisfied that Chris is an Independent Director.

Classification of Peter Harvie as Independent Director

The Board notes that, prior to his appointment to the Board in August 2011, Peter Harvie held the position of Executive Chairman of Austereo Group Limited from 1997 to May 2011, Executive Chairman of Austereo Pty Ltd, and Managing Director of the Triple M Network. The Board recognises Peter's extensive professional experience in media, advertising and marketing and notes his previous roles as Founder and Managing Director of the Clemenger Harvie advertising agency from 1974 to 1993.

More than three years have passed since Peter occupied the position of Executive Chairman of Austereo Group Limited. The Board has assessed the materiality of the interests, associations and relationships stemming from his tenure as an executive and considers that sufficient time has elapsed since his retirement from an executive role that any such interests, relationships or associations do not interfere, or could not reasonably be seen to interfere, with Peter's capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company and security holders generally. For these reasons, the Board considers Peter to be an Independent Director from 1 July 2014.

Leon Pasternak, Chris de Boer and Peter Harvie will continue in their respective roles to ensure Board continuity and to provide support to the new Board members and management. It is important that the Company retains the benefit of their combined knowledge of the business and its corporate history.

Role of the Board

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

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

- oversight of the Company, including its control and accountability systems;
- reviewing and approving the strategic plans of the Company and monitoring the implementation of those plans;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestures;
- determining the dividend policy and the amount, nature and timing of dividends to be paid;
- adopting the annual budget and financial statements and monitoring financial performance;
- evaluating the performance of, and developing succession plans for, the CEO and CFO;
- appointing, determining the terms of appointment of, and removing the CEO, CFO and Company Secretary;
- monitoring material business risks;
- reviewing, ratifying and monitoring systems of risk management and internal control, reporting systems and compliance frameworks that have been developed and implemented by management, with guidance from the Audit and Risk Committee;
- reviewing and ratifying codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- setting ethical standards and monitoring the Company's relationship with key stakeholders; and
- determining delegations to Board committees and management.

Chairman and Deputy Chairman

The directors vote among themselves to elect the Chairman and if they so choose a Deputy Chairman. Any Chairman is to be an independent non-executive director. The role of the Chairman and CEO must not be held by the same person.

The Chairman is responsible for:

- leadership of the Board;
- overseeing the Board in the effective discharge of its supervisory role;
- facilitating the work of the Board at its meetings and ensuring that the principles of the Board are maintained;
- taking such measures as are necessary to facilitate an effective contribution from all Directors;
- promoting a constructive relationship between the Board and management; and
- ensuring that there is regular and effective evaluation of the Board's performance.

The Chairman of the Board is Peter Bush who was appointed on 25 February 2015.

The Deputy Chairman is responsible for:

- chairing Board meetings when the Chairman is absent or unable to act by reason of a conflict of interests or otherwise;
- providing support to the Chairman and succession planning; and
- acting as an intermediary between the Chairman and other Non-Executive Directors when necessary.

The Deputy Chairman of the Board is Leon Pasternak.

Delegation to Senior Management

The Constitution and the Board Charter enable the Board to delegate to Committees and management. Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the CEO and senior executives.

CEO

The Board and its Committees have delegated to the CEO responsibility for the management and operations of the Group. The CEO may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of these delegated powers.

The CEO's key roles include:

- leadership of the management team;
- day to day management of the Company's operations; and
- implementation of the Company's strategies and policies.

The roles of Chairman and CEO are not exercised by the same individual. The Company's CEO is Grant Blackley.

Board Meetings

Board meetings are scheduled approximately ten times per year, with other meetings called as required. Meetings attended by Directors for the 2015 financial year are reported in the Directors' Report in the 2015 Annual Report.

Directors are provided with Board reports in advance of Board meetings, which contain sufficient information to enable informed discussion of all agenda items. Meeting minutes are tabled and confirmed at the following Board meeting.

Director Appointment and Re-Election

The Company's Constitution authorises the Board to appoint Directors to fill casual vacancies and to elect the Chair. The Board may 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 Annual General Meeting ("AGM"), but is eligible for election by shareholders at that meeting.

The Company's Constitution specifies that at each AGM one-third of the Directors, and any other Director who has held office for three years or more, must retire from office. Where eligible, a Director may stand for re-election.

All new Directors are subject to appropriate screening prior to appointment. When a candidate is standing for election, or a Director is standing for re-election, shareholders are provided with the following information to allow for an informed decision to be made on whether or not to elect or re-elect the candidate:

- biographical details including relevant qualifications, experience and skills that the candidate brings to the Board;
- details of any other material directorships currently held by the candidate;
- any material adverse information revealed by the checks the Company has performed about the director;
- details of any interest, position, association or relationship that might influence in a material respect, or reasonably be perceived to influence in a material respect, the candidate's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity 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; and
- a statement by the Board as to whether it supports the election or re-election of the candidate.

Director Induction

New Directors receive an induction pack that includes a letter of appointment setting out the conditions and terms of their appointment and remuneration. This includes provision of materials prepared in order to enable Directors to understand their rights, duties and responsibilities. Directors are provided with the opportunity to meet with key members of the Senior Executive team to gain a greater understanding of the business.

A program for the induction of new Directors and the provision of appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role is also available to all Directors.

Board Performance Evaluation

The performance of individual Directors, Committees and the Board as a whole is reviewed in accordance with the procedures set out in the Board Charter. As the Board has been subject to significant renewal during the 2015 financial year, no performance evaluations have taken place. The last evaluations took place in the first half of 2014.

Independent Professional Advice

The Charters of the Board, Audit and Risk Committee, Nomination Committee and Remuneration Committee set out procedures for Directors on the Board and Committees to obtain independent professional advice at the Company's expense.

Company Secretary

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

Board Committees

Audit and Risk Committee

The Board's Audit and Risk Committee is comprised of four Independent Non-Executive Directors, and is chaired by an Independent Director who is not the Chairman of the Board. The names of the members of the Audit and Risk Committee, and their attendances at Committee meetings, are set out in the Directors' Report in the 2015 Annual Report. The Committee is governed by the Audit and Risk Committee Charter.

The Committee has the following duties and responsibilities, none of which remove the obligation on the Board for these matters:

Financial Reporting

- ensuring the appropriateness of the Company's material accounting policies and practices which underlie financial reports;
- reviewing the reasonableness of significant estimates in the financial reports by making inquiries of management and the external auditor;
- reviewing the annual and half-year financial reports and making recommendations to the Board for the adoption of these reports; and
- making recommendations to the Board and subsequently monitoring the procedures in place to ensure that the Company is compliant with the various legislative and reporting requirements for financial statements, including the Corporations Act and ASX Listing Rules.

Risk Management and Internal Control

- monitoring the establishment of an appropriate internal control framework;
- monitoring and reviewing the effectiveness of the Company's risk management and control systems with management; and
- reporting to the Board on internal control processes for identifying and managing key risk areas.

External Audit

- overseeing the selection, appointment, rotation and removal of the external auditor;
- recommending to the Board the appointment of the external auditor and its fee;
- reviewing the scope of the external audit plan and performance of the external auditor;
- overseeing and appraising the quality of audits conducted by the external auditor;
- meeting separately with the external auditor at least once a year to discuss any matters that the Committee or auditor believes should be discussed privately; and
- reviewing and approving matters relating to auditor independence having particular regard to the provision of non-audit services.

Reporting to the Board

- ensuring that all matters relevant to the Committee's roles and responsibilities are brought to the attention of the Board for its review.

Nomination Committee

During the year, the Board split its Nomination and Remuneration Committee into two committees, namely the Nomination Committee and the Remuneration Committee.

The Nomination Committee has three members, all of whom are Independent Directors, including the Chairman of the Committee. The names of members of the Committee, along with details of the number of meetings attended by those members during the year, are set out in the Directors' Report in the 2015 Annual Report. The Committee is governed by the Nomination Committee Charter.

The Nomination Committee is responsible for:

Size and Composition of the Board

- periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole.

Directors

- development and implementation of processes for the selection, appointment and re-election of Directors; and
- selection and recommendation of candidates to the Board.

Board Committees

- identifying directors qualified to fill vacancies on Board Committees.

Succession Plans

- establishing and reviewing Board and senior executive succession plans; and
- assessing the capabilities of those who may be considered for succession to the CEO, CFO and senior executive positions.

Performance

- establishment and implementation of a process for evaluation of the performance of the Board, Board Committees, and individual Directors; and
- identifying training and education programs for the Board.

Diversity

- reviewing and making recommendations to the Board on gender diversity;
- assessing and reporting to the Board on the effectiveness of gender diversity objectives and monitoring and reporting to the Board on the achievement of diversity targets on an annual basis;
- making recommendations to the Board in relation to the objectives for achieving gender diversity, and the initiatives and strategies to support those objectives; and
- including gender diversity objectives in Board recruitment, Board performance evaluation and succession planning processes.

Remuneration Committee

The Remuneration Committee has four members, all of whom are Independent Directors, including the Chairman of the Committee. The names of members of the Committee, along with details of the number of meetings attended by those members during the year, are set out in the Directors' Report. The Committee is governed by the Remuneration Committee Charter.

The Remuneration Committee is responsible for making recommendations to the Board on:

- the remuneration framework, policies and practices for the Executive Directors and staff to ensure that they:
 - (i) attract and motivate Directors, senior executives and employees to pursue the Company's long term growth;
 - (ii) demonstrate a clear relationship between executive performance and investor value; and
 - (iii) are reasonable and fair, having regard to best governance practices and legal requirements;
- the total level of remuneration of Non-Executive Directors and for individual fees for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- the remuneration packages of the CEO, CFO and senior executives, including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to attract and retain a highly motivated and professional staff;
- the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
- the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- the Company's remuneration reporting in the financial statements and remuneration report. The Committee will liaise with the Audit and Risk Committee in undertaking this responsibility.

The Board has decided to adjust the Group's remuneration framework to more directly align remuneration with behaviour and culture. The charter and composition of the Remuneration Committee will also be reviewed and the committee will be renamed as the People and Culture Committee.

Executive Remuneration and Performance

The Remuneration Committee reviews and makes recommendations to the Board on the remuneration packages and employment conditions applicable to the CEO, CFO and any Executive Directors. In making these recommendations, regard is had to comparable industry or professional salary levels and to the specific performance of the individuals concerned. The Company clearly distinguishes the structure of Non-Executive Directors' remuneration (paid in the form of a fixed fee) and that of any Executive Directors and senior executives. The Company's senior executives are employed under individual employment contracts that set out the terms of their employment.

The remuneration of managers and staff, including senior executives other than the CFO, is within the authority of the CEO. The CEO has discretion in regard to the remuneration of individual managers, subject to the requirement that the overall level of remuneration is within budget guidelines as approved by the Board. In the case of senior executives, remuneration is appropriately positioned having regard to comparable executive remuneration benchmarking.

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, financial and corporate goals.

Information about the Company's remuneration policies and practices for Non-Executive Directors, the CEO and other senior executives, and their remuneration during the 2015 financial year, is set out in the Remuneration Report in the 2015 Annual Report.

Risk Management and Integrity of Financial Reporting

Risk Management

The Board is responsible for overseeing the Company's systems of internal control and risk management. The Board has adopted a Risk Management Policy.

The policy addresses the overseeing by the Board of the management of key business risks relevant to the Company.

The Audit and Risk Committee assists the Board in overseeing the risk management framework and any matters of significance affecting the Company's financial reporting and internal controls.

Key business risk categories that are addressed by the policy include financial (including investment, compliance, liquidity, credit, and interest rate risk) reputation, technology, regulatory, legal, operational, people (including workplace health and safety, environmental and social responsibilities) and strategic risks.

The Company's senior management team has responsibility for the day-to-day implementation of the risk management framework and internal controls within the Company. Management also reports regularly to the Board through the CEO on the Company's key risks and the extent to which it believes these risks are being adequately managed.

There are various committees in place which have been established to manage specific risks across the entire business and are not market specific.

Internal Audit

The Company has not implemented an internal audit function. The Board believes that the nature of the Company's operations currently do not require this to be instigated as a separate function to those functions undertaken by the external auditors and/or the Audit and Risk Committee.

Material Risks

Management assesses risks and develops mitigation strategies on a bi-annual basis, with risks assessed to be either High or Very High tabled at each Audit and Risk Committee meeting and reviewed on an ongoing basis. The risk register was last tabled at the June 2015 Audit and Risk Committee meeting.

The current High or Very High risks and the mitigation strategies in place are outlined under Material Risks in the Review and Results of Operations in the 2015 Annual Report.

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 the Company'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 the Company'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; and
- 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 and Risk Committee is responsible for maintaining open lines of communication between the Board, management and the external auditors so as to enable information and points of view to be freely exchanged.

The auditor attends the Company's AGM and is available to answer security holder questions on the conduct of the audit, and the preparation and content of the auditor's report.

Company Policies

Code of Conduct

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

The Company is committed to:

- avoiding or appropriately managing any conflict of interest between the personal interests of a Director or staff member and his or her responsibility to serve the interests of the Company;
- ensuring property, information and position are not misused for personal benefit or to compete with the Company;
- ensuring the Company's assets are used only for authorised and legitimate business purposes;
- maintaining the confidentiality of information and the privacy of personal information entrusted to the Company by its employees and other stakeholders except where disclosure is authorised;
- ensuring high standards of disclosure and audit integrity in relation to the Company's activities and financial performance;
- ensuring dealings between the Company and a competitor or supplier are conducted in a lawful and fair manner;
- supporting communities in which the Company operates;
- conducting all business in accordance with applicable laws and regulations in the jurisdictions in which the Company operates, and in a way that enhances its reputation in those markets;
- prohibiting any activity that seeks to bribe, corrupt or otherwise improperly influence a public official in any country to act (or omit to act) in a way that differs from that official's proper duties, obligations and standards of conduct for the benefit of the Company or any connected person/entity; and
- protecting a person who makes, or assists someone to make, a report concerning a violation of this Code in good faith.

The Code sets out an approach in respect of whistle-blowers, anti-corruption and appropriately dealing with government policies.

In addition, the Company has formulated values to which it seeks to foster commitment amongst staff as outlined in the Sustainability: Social Sustainability section below.

The Company conducts its business dealings with contractors and suppliers in a responsible, respectful and ethical manner.

The Code of Conduct is underpinned by a range of additional policies including the Securities Trading Policy, Workplace Health and Safety Policy, Communications and Disclosure Policy, and Privacy Policy.

Trading in company securities

The Company has a Securities Trading Policy. Directors, employees and certain contractors must not trade directly or indirectly in Company securities while in possession of "inside information". Inside information is information about the Company which is not public and which a reasonable person would expect to have a material effect on the price or value of Company securities, or which would be likely to influence an investment decision in relation to the securities. The Securities Trading Policy contains corresponding obligations in relation to the securities of other entities that may be involved in a joint venture or other corporate transaction with the Group.

External communications

The Company is committed to ensure that its external communications are timely, factual, accurate and clear.

The Company has a Communications and Disclosure Policy. The policy sets out the policies, accountabilities and procedures that govern the Company's handling of information, continuous disclosure and communications to the investment community, media and regulators. The procedures address how to identify price-sensitive information, involving initially a referral to the CEO and Company Secretary/General Counsel for a determination as to whether disclosure is required, and a management sign-off process to ensure that ASX releases are accurate and complete.

The ASX liaison is the Company Secretary, or the CFO in the Company Secretary's absence. The CEO or CFO manage interviews and enquiries with the media.

Communication with investors occurs via ASX announcements, the annual report and half-yearly update, investor roadshows and briefings. All information disclosed to the ASX is posted on the Southern Cross Austereo website.

Investors are encouraged to attend the AGM, which will be held in October 2015.

For formal meetings an explanatory memorandum on the resolutions is included with the notice of meeting. In the event that investors cannot attend formal meetings, they are able to lodge proxy forms by post or fax.

The Company gives its security holders the option to receive communications from, and send communications to, the Company and its securities registry electronically.

Sustainability

The Group is required to disclose whether it has any material exposure to economic, environmental or social sustainability risks, and if it does, how it manages or intends to manage those risks. Material exposure refers to the existence of a real possibility that a particular risk could substantively impact the Group's ability to create or preserve value for security holders over the short, medium or long term.

Sustainability: Economic

Business and operational risks that could affect the achievement of the Group's financial prospects include:

- breach of banking covenants;
- significant breach of an Australian Communication and Media Authority code or licence conditions;
- decline in or loss of metro audience share leading to a loss of revenue; and
- threat of digital media (including television, radio, social) - emergence and convergence.

These risks and the mitigation strategies are outlined under Material Risks in the Review and Results of Operations in the 2015 Annual Report available on the Southern Cross Austereo website.

Sustainability: Environment

The Group does not have any material exposures to environmental sustainability, however the Group provides the following commentary on its initiatives.

The Group is committed to corporate environmental sustainability and corporate social responsibility. The Group is not required to report under the *National Greenhouse and Energy Reporting Act*.

The Group has initiated a review of its radio and television transmitters, which represent one of the Group's largest power consumers. A capital expenditure program has been instigated to replace older, less energy efficient transmitters with newer, more efficient transmitters. The more energy efficient transmitters have resulted in significant improvements in power usage, with some sites achieving a 50% reduction in power usage. In addition, communications and transmission sites that are air-conditioned are currently undergoing a replacement program to implement more energy efficient systems.

The Group is currently investigating the viability of installing solar power in office buildings and studios as part of the continual review of efficiency opportunities across the Group.

Sustainability: Social Sustainability

The Group has in place a range of social sustainability initiatives.

Our role as a broadcaster

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. The Group 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.

As a local media organisation, SCA acknowledges its role in the fabric of regional and rural communities. 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 consultation with emergency and essential

services organisations, the Group maintains procedures to broadcast warnings and information from emergency and essential services organisations where there is an existing or threatened emergency.

Our People

SCA's objective is to advance equal employment opportunities for its staff and to diversify and develop its workforce. SCA recognises the value of attracting and retaining employees with different backgrounds, experience, knowledge and abilities.

SCA aims to be the place where the best talent, both on and off-air, want to work to deliver great content. Across radio, television and digital, SCA aims to deliver the most creative and engaging content, and it is therefore vital that the Group continues to attract and retain talented people whilst also delivering value for money for our listeners, audiences, clients and shareholders.

Engaging and getting the best from our People

In March 2015, the annual staff survey was conducted with pleasing results that increased year on year. The highlights of the survey were as follows:

- 88% say that SCA is a friendly place to work;
- 82% say that people care about each other;
- 79% say that there is a 'family' team feeling at SCA;
- 79% say that they have great pride on what SCA do;
- 80% say they really enjoy the people they work with.

In addition, being treated with a high level of fairness regardless of age, race, ethnicity, gender and sexual orientation has results ranging between 88% - 96%.

Employee perceptions of SCA as an employer have increased for 50 out of the 58 statements with increases of up to 6 percentage points from last year.

The survey identified some areas of improvement including better communication and more training and these will be incorporated into an action plan as part of the SCA people strategy.

SCA Values

This year SCA introduced some enhancements to the Company Values. There are five values, or standards, which people across SCA share. They represent the expectations SCA has for itself and each other, and they 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.

SCA asked staff to rate the Group on its performance against these Values. Scores averaged between 71% and 77 % for staff who believe there are daily examples of the SCA Values, with 82% of staff believing the enhanced company Values were presented in a way that was inspiring and engaging.

Diversity

The Company's Diversity Policy is approved by the Board and overseen by the Nomination Committee.

The Company is committed to workplace diversity taking into account the profile of its workforce across gender, age, ethnicity, cultural background, impairment or disability, sexual preference and religion. SCA monitors the profile of its workforce to reflect diversity in aired content and within our own organisation. SCA understands that by attracting and retaining employees from varied backgrounds, experience, knowledge and abilities, it facilitates sharing diverse perspectives and ideas, resulting in the very best content delivery and client solutions.

The Company is an equal opportunity employer and is committed to the principle that people should be employed on the basis of merit. The Company makes all reasonable endeavours to avoid any form of discrimination on the basis of sex, sexual orientation, marital status, age, religion, race, colour, political opinion, disability, pregnancy and carer responsibilities.

Whilst all areas of diversity are critical to business success, one particular recent focus has been on gender diversity. Currently, 52% of the SCA workforce is female. Within management, women make up 25% of all senior managers and 42% of middle management.

SCA continues to actively promote women returning to the workforce following Parental Leave, with 78% of all women who commenced Parental Leave within the past 12 months returning on a Flexible Working Arrangement. Additionally, 15% of the total female workforce are currently on Flexible Working Arrangements, enabling them to successfully manage their career and family life through a practical work-life balance.

The Company believes that the promotion of diversity at all levels within the organisation will enhance creativity and innovation and reflect the communities in which the Company operates.

The Board set the following measurable objectives for achieving gender diversity:

- percentage of women in senior management positions to be 35%;
- percentage of women in middle management positions to be 40%; and
- at least one female Non-Executive Independent Director at all times.

Gender composition within the Company as at 30 June 2015

Category	% Female	% Male
Board	22%	78%
Senior management roles	25%	75%
Middle management roles	42%	58%
Employees	52%	49%

Senior management is defined as being part of the Senior Executive Leadership team, comprising 21 employees at 30 June 2015. Middle management roles refer to all other roles that have "manager" in their title.

In accordance with the requirements of the *Workplace Gender Equality Act 2012* the Company lodged its annual 2015 compliance report with the Workplace Gender Equality Agency. A copy of the report is available on SCA's website under the Investors tab.

Recognising Great Work

SCA's annual Company Awards recognise exceptional talent and performance across Australia. Many of the categories in this peer nominated awards scheme are based around our Company Values, including:

- Maximising Creativity and Innovation;
- Demonstrating Courage;
- Leading with Integrity;
- Best Collaborative Team Member; and
- Taking Initiative and Exceeding Expectations.

The awards also recognise outstanding achievement in sales, management and leadership.

Developing New Skills and Talent

The Company aims to create opportunities and development to attract new talent to SCA and help people kick-start a career in media. We have designed and implemented a number of traineeships that will see us grow our own talent across a number of disciplines.

These traineeships include both a Broadcast Engineering Traineeship Program, Producer Traineeship Program and Digital boot camp.

Engineering and Technology

The SCA Broadcast Engineering Traineeship Program offers hands-on experience and training in the disciplines of Broadcasting, Electronic Engineering and IT Systems, to respond to the growing need for technology specialists within the broadcast industry. On completion trainees will have successfully graduated with a Certificate III in Electronics and Communication from TAFE, combined with their practical experience gained at SCA.

Producing

The SCA Producer Traineeship Program offers hands-on practical experience and training in the fast paced world of entertainment media across a number of our assets, including radio, social media, and digital video. SCA Trainees work alongside some of the most experienced producers and content teams in the country, as they create shows such as The Hot Breakfast and the Hamish & Andy Show.

Digital

In 2015 SCA will launch a digital boot camp to increase digital capability and knowledge within SCA by creating a transformative digital culture. This boot camp will create “digital revolutionaries” who will inspire the whole business to add value through digital initiatives.

Succession Planning and Development

SCA identifies and develops potential future leaders and individuals to fill other business critical positions through its succession planning process. The process includes:

- identification and management of an employee’s talent potential;
- design of development plans focussing on building experience and capabilities;
- clear performance measures that are aligned to SCA’s vision and goals ; and
- ongoing development of key talent critical to the future success of SCA.

Those identified through this process are placed on personal development programs to further build skills and capabilities in preparation for future leadership or business critical roles.

Sustainability: Community

The Company is committed to making a positive impact on the lives of others both in Australia and overseas. The Company delivers on this commitment by conducting numerous fundraising activities, donating airtime and engaging in volunteer work. Some of the charities the Company worked with in the 2015 financial year include Habitat for Humanity, Salvation Army and Beyond Blue.

The Group runs Give Me 5 For Kids, a charity appeal that raises money to support local children’s hospitals and charities in regional Australia. The charity runs an annual fundraiser in June of each year, raising over \$2 million in each of the 2015 and 2014 appeals.

Through My Community Connect, regional Australians are provided with an online event registry that is further supported through the Group’s broad array of media assets.

Every December, the Southern Cross Austereo “I Believe in Christmas” appeal delivers the festivities of Christmas to kids throughout regional Australia. This year, the annual toy drive collected over 20,000 toys that were distributed by the Salvation Army to families and children in need.

For more details, refer to the Community Support Section in the 2015 Annual Report.