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## Board Charter

Nine Entertainment Co. Holdings Limited ACN 122 203 892

Adopted by the board on 18 October 2013 (and amended on 15 November 2016 and 1 August 2018)

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## 1 The NEC board and overview of its role

- (a) The board of directors (**Board**) of Nine Entertainment Co. Holdings Limited (**NEC**) is responsible for, and oversees the governance of, NEC.
  - (b) Corporate governance describes the way NEC is directed and controlled. NEC's shareholders appoint directors and hold them accountable for the performance of the company. A key part of directors' responsibility is to ensure that an effective corporate governance structure operates in NEC.
  - (c) This board charter sets out the functions of NEC's board by describing the structure of the Board and its committees, the need for independence and other obligations of directors.
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## 2 Functions of the Board

- (a) The Board strives to build sustainable value for shareholders whilst protecting the assets and reputation of NEC. Its functions include but are not limited to:
  - (i) approving NEC's strategies, budgets and business plans;
  - (ii) approving NEC's annual report including the financial statements, directors' report, remuneration report and corporate governance statement, with advice from the People and Remuneration Committee and the Audit and Risk Management Committee, as appropriate;
  - (iii) approving major borrowing and debt arrangements, the acquisition, establishment, disposal or cessation of any significant business of the company, any significant capital expenditure and the issue of any shares, options, equity instruments or other securities in NEC;
  - (iv) assessing performance against strategies to monitor both the performance of senior management of the NEC group (being the Chief Executive Officer and other individuals as determined from time to time by the People and Remuneration Committee) (**Senior Management**) as well as the continuing suitability of strategies;
  - (v) ensuring that NEC acts legally and responsibly on all matters (including workplace health and safety) and that the highest ethical standards are maintained;
  - (vi) maintaining a constructive and ongoing relationship with the Australian Securities Exchange and regulators, and approving policies regarding disclosure and communications with the market and NEC's shareholders;
  - (vii) monitoring and approving changes to internal governance including delegated authorities, and monitoring resources available to Senior Management;
  - (viii) reviewing board performance and succession planning for directors; and
  - (ix) monitoring the mix of skills, experience, expertise and diversity on the Board and, when necessary, appointing new directors, for approval by shareholders..

- (b) With the guidance of the Board's People and Remuneration Committee, the Board is responsible for:
- (i) evaluating and approving the remuneration packages of the Chief Executive Officer, directors and other members of Senior Management;
  - (ii) monitoring compliance with the non-executive director remuneration pool as established by the Constitution, or as subsequently amended by shareholders, and recommending any changes to the pool;
  - (iii) administering short and long term incentive plans (including any equity plans) and engaging external remuneration consultants;
  - (iv) appointing, evaluating or removing the Chief Executive Officer, and approving appointments or removal of all other members of Senior Management;
  - (v) regularly assessing the independence of all directors; and
  - (vi) reviewing succession planning for Senior Management.
- (c) With the guidance of the Audit and Risk Management Committee, the Board is responsible for:
- (i) Preparing and presenting NEC's financial statements and reports;
  - (ii) overseeing NEC's financial reporting, which, without limitation, includes:
    - (A) reviewing the suitability of NEC's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
    - (B) assessing significant estimates and judgements in financial reports; and
    - (C) assessing information from external auditors to ensure the quality of financial reports;
  - (iii) overseeing NEC's financial controls and systems;
  - (iv) reviewing, monitoring and approving NEC's risk management policies, procedures and systems; and
  - (v) managing internal and external audit arrangements and auditor independence.
- (d) The functions listed are matters which the Board specifically reserves for itself and does not limit the Board's overall duties and responsibilities. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.

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### **3 Powers delegated to management**

- (a) The Board shall delegate to the Chief Executive Officer the authority and power to manage NEC and its businesses within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power but remains accountable to the Board for NEC's performance and is required to report regularly to the Board on the progress being made by NEC's business units.
- (b) The Chief Executive Officer's role includes:
- (i) responsibility for the effective leadership of the management team;

- (ii) the development of strategic objectives for the business; and
  - (iii) the day-to-day management of NEC's operations.
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## **4 Board structure**

The composition, structure and proceedings of the Board are primarily governed by NEC's constitution (a copy can be found on the company's website) and the laws governing corporations in jurisdictions where the company operates. The Board shall regularly review the composition, structure and performance of the Board.

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## **5 Board composition**

The Board aims to have a Board of directors which has, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to NEC's businesses and the Board's responsibilities.

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## **6 Appointment and re-election of directors**

- (a) With guidance from external consultants, where necessary, the Board shall identify candidates with appropriate skills, experience, expertise and diversity in order to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board.
  - (b) The Board assesses nominations of new directors against a range of criteria including the candidate's background, experience, gender, professional skills, personal qualities, capability of the candidate to devote the necessary time and commitment to the role, potential conflicts of interest, independence and whether their skills and experience will complement the existing Board.
  - (c) The criteria to assess nominations of new directors is reviewed annually and the Board regularly compares the skill base of existing directors with that required for the future strategy of NEC to enable identification of attributes required in new directors.
  - (d) Before appointment to the Board, candidates shall confirm that they will have sufficient time to meet their obligations to NEC, in light of other commitments.
  - (e) Letters of appointment for each new appointment to the board set out the key terms and conditions relative to the appointment.
  - (f) All directors (other than a managing director, if any) are subject to re-election by rotation at least every three years. Newly appointed directors must seek re-election at the first general meeting of shareholders following their appointment.
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## **7 Review of Board, committee and individual directors' performance**

- (a) The Board shall regularly carry out a formal review of the performance of the Board, its committees, Senior Management and each non-executive director, using where necessary an external consultant, against appropriate measures. The review shall assess:
  - (i) the effectiveness of the Board and each committee in meeting the requirements of its charter;
  - (ii) whether the Board and each committee has members with the appropriate mix of skills and experience to properly perform their functions;

- (iii) whether adequate time is being allocated to NEC matters, taking into account each director's other commitments;
  - (iv) the independence of each non-executive director, taking into account the director's other interests, relationships and directorships.
- (b) Each year, the People and Remuneration Committee shall review the performance of the Chief Executive Officer and any other executive directors as may be appointed against guidelines approved by the Board.
  - (c) Each year, a statement detailing the mix of skills and diversity which the Board is looking to achieve in membership to the Board should be included in NEC's annual report.
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## **8 Chair**

The chair shall be elected by the Board but must be an independent director. The chair must not hold, and must not have held within the previous 3 years, the office of Chief Executive Officer of NEC. The chair's role includes:

- (a) providing effective leadership to the Board in relation to all Board matters;
  - (b) representing the views of the Board to the public;
  - (c) presiding over meetings of the board and general meetings of shareholders.
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## **9 Company secretary**

- (a) The Board appoints and removes the company secretary. All directors shall have direct access to the company secretary.
  - (b) The company secretary supports the effectiveness of the Board by monitoring that board policy and procedures are followed and co-ordinating the completion and despatch of board agendas and briefing papers.
  - (c) The company secretary shall be accountable to the Chief Executive Officer, and to the Board through the chair, on all corporate governance matters.
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## **10 Keeping directors informed**

- (a) New directors will be briefed on their roles and responsibilities and the minutes and papers of Board and committee meetings will be made available to them.
  - (b) Board papers are distributed, where possible, within a reasonable period of time before each meeting.
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## **11 Access to independent advice**

Directors may obtain independent professional advice at NEC's expense on matters arising in the course of their board and committee duties, after obtaining the chair's approval. The other directors must be advised if the chair's approval is withheld.

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## 12 Non-executive directors' meetings

The non-executive directors are expected to meet periodically with no management present, to review management performance.

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## 13 Independence of non-executive directors

- (a) To be judged independent, a director must, in the opinion of the Board, be independent of management and have no business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of that director's judgement. The Board considers thresholds of materiality for the purpose of determining 'independence' on a case-by-case basis.
  - (b) Individuals would, in the absence of evidence or convincing argument to the contrary, be judged to be not independent if they were:
    - (i) employed, or had previously been employed in an executive capacity by NEC or any of its subsidiaries in the three years prior to becoming a director, or
    - (ii) directly involved in the audit of NEC or any of its subsidiaries, or
    - (iii) a substantial shareholder of NEC, or an officer of, or otherwise associated directly with, a substantial shareholder of NEC, or
    - (iv) a principal of a professional adviser or consultant to NEC where the amount paid to that adviser or consultant in the three years prior to becoming a director was material or the relationship with the adviser or consultant was otherwise material to NEC, or an employee materially associated with the service provided, or
    - (v) a supplier, or an officer of or otherwise associated directly or indirectly with a supplier to NEC where the amount paid during the year by NEC to that supplier was material (to either NEC or the supplier) or the relationship between NEC and the supplier was otherwise material to NEC or the supplier; , or
    - (vi) a customer, or an officer of or otherwise associated directly or indirectly with a customer of NEC where the amount paid during the year by that customer to NEC was material (to either NEC or the customer) or the relationship between NEC and the customer was otherwise material to NEC or the customer, or
    - (vii) in a material contractual relationship with NEC or another group member other than as a director of NEC.
  - (c) Any change in the nature of the independence status of a non-executive director must be promptly notified to the chair and company secretary and the Board will review that director's independence status.
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## 14 Conflict of interest

- (a) Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of NEC and shall advise the company secretary of all directorships or executive positions held in other companies.
- (b) If a potential material conflict of interest or conflict of duty arises, the director concerned shall advise the chair prior to any Board meeting at which the issue is to be discussed. The director shall not receive the relevant Board papers and shall leave the board meeting while the relevant matter is considered. Any potential conflict must be recorded in the Board minutes.

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## 15 Board committees

- (a) The Board shall operate two committees:
  - (i) Audit and Risk Management Committee; and
  - (ii) People and Remuneration Committee.
- (b) When appointing members of each committee, the Board shall take account of the skills and experience appropriate for that committee as well as any statutory or regulatory requirements.
- (c) The chair of the Audit and Risk Management Committee shall not be the chair of the Board and shall be independent of management and NEC.
- (d) The committees operated by the Board shall consider and determine the matters for which they are responsible in accordance with their charter. Copies of the charter of each committee shall be published on NEC's website. The Board may establish other committees as and when required.

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## 16 Confidentiality

All proceedings of the Board, including Board papers, presentations and other information provided to the Board, shall be kept confidential except as required by law or as agreed by the Board.

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## 17 Review

The Board will, at least once in each year, review this board charter to determine its adequacy for current circumstances and may amend it as necessary.