



# Board charter and relationship with management

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oOh!media Limited (**Company**)

ACN 602 195 380

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# Charter

## 1 Introduction

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The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance, international best practice and applicable laws.

This Charter includes an overview of:

- Board composition and process;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board Committees.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually.

## 2 Board composition

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### 2.1 Board composition and size

- The Board is appointed by the shareholders. Non-executive Directors are engaged through a letter of appointment, outlining the Director's terms and conditions.
- The Board, together with the Remuneration and Nomination Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, together with the Remuneration and Nomination Committee, will review the skills required by the business and represented by Directors on the Board. Together they will determine whether the composition and mix of those skills remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-executive Directors.

### 2.2 Director independence and tenure

- The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.
- The Board only considers directors to be independent where they are independent of management and free of any interest, position, association, business or other relationship that could materially interfere with, or could reasonably be perceived to influence, the exercise of their unfettered and independent judgment in respect of issues before the board and/or acting in the best interests of the Company. The Board has adopted a definition of independence that is based on that set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) (see Attachment 1).
- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its

operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

## 3 Board role and responsibilities

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### 3.1 Board role

The Board's role is to:

- demonstrate leadership and high standards of professional conduct in respect of the Company's affairs and instil and continually reinforce a culture across the Company of acting lawfully, ethically and responsibly;
- represent and serve the interests of shareholders by setting the Company's purpose and strategic objectives and overseeing management in its implementation of the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's statement of values, code of conduct and governance framework (including establishing and observing high ethical standards) to underpin the desired culture within the Company; and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

### 3.2 Board key responsibilities

The responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**) and Company Secretary;
- contributing to and approving management's development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management (for both financial and non-financial risks) and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- overseeing the Company's processes for open and timely communication and balanced disclosure between the Company and its shareholders including all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- monitoring and reviewing the effectiveness of the Company's corporate governance principles and policies;
- performing such other functions as are prescribed by law or are assigned to the Board;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- overseeing management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;
- satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite; and
- whenever required, challenging management and holding it to account.

### **3.3 Reserved authorities**

Matters which are specifically reserved for the Board or its committees include:

- appointment of a chair (and lead independent director if applicable);
- appointment and removal of the CEO;
- appointment and removal of the CFO;
- appointment of directors to fill a vacancy or as additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.

### **3.4 Directors**

- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice related to the discharge of their responsibilities as Directors, subject to the approval of the Board Chair and Chair of the Committees.

## **4 Delegation of duties and powers**

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### **4.1 Relationship with management**

- The Board may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and control rests with the Board.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors and the Board are entitled to request additional information at any time when they consider it appropriate.

## 4.2 Role of the CEO

- The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom the management function is properly delegated by the CEO).
- The Board approves corporate objectives for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board.

## 4.3 Delegation to Committees

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the Audit, Risk and Compliance Committee, the Remuneration and Nomination Committee and the Technology Committee.
- The Committees will assist the Board by focusing on the following activities:
  1. Audit, Risk and Compliance Committee:
    - appointment of the external auditor;
    - approval and review of the Internal Audit function;
    - oversee the Company's relationship with the external auditor and the external audit function generally;
    - assist the Board in relation to the reporting of financial information and oversee the preparation of the financial statements and reports;
    - oversee the Company's financial controls and systems and manage the process of identification and management of financial risk;
    - review and report to the Board on the Company's ongoing risk management program (for both financial and non-financial risks), including that adequate policies and procedures have been designed and implemented to manage identified risks;
    - review and report to the Board that at least annually an audit has been undertaken to test the adequacy of and compliance with prescribed policies; and
    - review and report to the Board that proper remedial action is undertaken to redress areas of weakness.
  2. Remuneration and Nomination Committee:
    - review and recommend to the Board the size and composition of the Board and criteria for membership, including review of Board succession plans and the succession of the Chair and CEO;
    - review and recommend arrangements for the executive directors (including the CEO) and the executives reporting to the CEO;
    - review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
    - review and recommend to the Board the remuneration arrangements

for the Chair and the Non-executive Directors of the Board, including fees, travel and other benefits;

- assist the Board as required in relation to the performance evaluation of the Board, its committees and individual directors;
- review the senior management performance assessment processes and results;
- review and approve short term incentive strategy, performance targets and bonus payments, including major changes and developments to the Company's employee equity incentive plans; and
- review the effectiveness of the Board Diversity Policy.

3. Technology Committee

- review and recommend to the Board management strategies relating to the Company's Technology Strategy and their alignment with the Company's overall strategy and objectives;
- advise the Board in relation to the Company's Technology Strategy for the purpose of enhancing the Board's understanding of the use of technology as an enabler and a risk for the Company;
- monitor and review the post implementation results of the Company's technology Strategy, including the achievement of expected benefits and return on investment;
- monitor and review the integration of IT operations and technology within the broader organisation, including strategies to minimise residual integration risk and maximise transparency across the organisation;
- review key external technology changes, innovations and trends and the potential to adopt them within the Company,
- such other matters relating to the Company's Technology Strategy as the Committee may determine from time to time.

- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.
- The powers delegated to these Committees are set out in Board resolutions.

## 5 Board process

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### 5.1 Meetings

- The Board will meet regularly.
- Periodically, Non-executive Directors will meet without Executive Directors or management present.
- Directors will use all reasonable endeavours to attend Board meetings in person.
- The Company's Constitution governs the regulation of Board meetings and proceedings.

### 5.2 The Chair

- The Board will appoint one of its members to be Chair.
- It is intended that the Chair should be an independent Non-executive Director. If the Chair is

not considered an independent Non-executive Director, a lead independent director will be appointed in addition to the Chair.

- The role of the Chair is to:
  - provide leadership to the Board;
  - chair Board meetings and shareholder meetings,
  - brief all Directors in relation to Board related matters,
  - facilitate effective contribution by all Directors and monitoring Board performance; and
  - promote constructive and effective relations between the Board and management.
- The Chair represents the Board to the shareholders and communicates the Board's position.

### **5.3 Lead independent director**

- The role of the lead independent director is to provide leadership to the independent directors, liaise with the CEO on behalf of the independent directors and advise (or arrange for advice to be provided to) the Board on matters where there may be an actual or perceived conflict of interest involving the Chair or the CEO.
- The position of lead independent director is determined by the independent directors.
- The role of the lead independent director is set out in further detail in the Company's Non-Independent Chair Protocol.

### **5.4 The Company Secretary**

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.
- The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- All directors will have direct access to the Company Secretary.

# Attachment 1

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### Guidelines of the Board of directors - Independence of directors

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Part 2 of the Company's Board Charter refers to the 'independence' of directors.

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of directors.

In general, directors will be considered to be 'independent' if they are not members of management (a Non-executive Director) and they:

- are not employed, or have been previously employed in an executive capacity by the Company or another group member and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- do not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of the Company;
- have not within the last three years been in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Company or other group member or an officer of or otherwise associated directly or indirectly with someone with such a relationship;
- have not within the last three years been been a substantial holder of the Company nor represented nor been an officer or employee of, or professional adviser to a substantial holder; do not have close family ties with any person who falls within any of the categories described above; and
- have not been a director of the Company for such a period that their independence from management and substantial holders may have been compromised.

#### Materiality

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

The Board will consider the materiality of the directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles.

Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company's shares to be material.
- In general, the Board will consider an affiliation with a business which accounts for

less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the Board will consider the particular circumstances including the materiality of the business and the nature of the affiliation in reviewing whether the particular director should be considered independent.

- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Company.

# Attachment 2

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### Performance evaluation process in relation to the Board and its Committees

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- The Chair will implement a review system which, subject to consultation with the Board may include a collective review of effectiveness undertaken of the Board and individual performance reviews for Directors.
- On an annual basis, directors will provide written feedback in relation to the performance of the Board and its Committees against a set of agreed criteria.
- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- The CEO will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.