Corporate Governance Statement

FOR THE YEAR ENDED 30 JUNE 2018

This statement outlines the Company's main corporate governance practices that were in place throughout the financial year and, unless otherwise stated, its compliance with the 3rd edition of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations ("ASX Recommendations").

As part of the periodic review of its Board and Committee Charters during the financial year, the Company took a proactive approach to identifying areas of emerging developments in corporate governance, as raised in the draft 4th edition ASX Corporate Governance Council Corporate Governance Principles and Recommendations released on 8 May 2018 ("Draft 4th Edition ASX Recommendations"). The resulting amendments to the Board and Committee Charters are aligned with emerging market expectations and reflect many of the responsibilities and processes that the Board and its Committees were already undertaking.

Reporting of compliance within this Corporate Governance Statement remains against the 3rd edition of the ASX Recommendations, however reference is also made herein to corporate governance enhancements which relate to the Draft 4th Edition ASX Recommendations. The Board will continue to review developments in corporate governance as part of its periodic review of governance at the Company.

The documents marked with an * below have been posted in the 'Corporate Governance' section on the Company's website at www.sevenwestmedia.com.au/about-us/corporate-governance. Those policies which are not separately available on the Company's website are summarised in this statement. A copy of this statement will be made available on the Company's website.

Principle 1 – Lay Solid Foundations for Management and Oversight

Role and responsibilities of the Board

The Board is empowered to manage the business of the Company subject to the Corporations Act and the Company's Constitution*. The Board is responsible for the overall corporate governance of the Company and has adopted a Board Charter* setting out the role and responsibilities of the Board.

The Board Charter provides that the Board's role includes:

- representing and serving the interests of shareholders by overseeing, reviewing and appraising the Company's strategies, policies and performance in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution;
- contributing to, and approving, management's development of corporate strategy and performance objectives and monitoring management's performance and implementation of strategy and policies;
- reviewing and monitoring systems of risk management and internal control and ethical and legal compliance, including reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial reporting, financial controls and other reporting;
- developing a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership;
- approving the entity's statement of core values;
- demonstrating leadership by approving the Company's purpose, strategic objectives and code of conduct for directors, senior executives and employees;
- developing and reviewing corporate governance principles and policies and monitoring compliance with those principles and policies to underpin and instil the desired culture within the Company and reinforce a culture across the Company of acting lawfully, ethically and in a socially responsible manner;
- ensuring Management has formal and rigorous processes in place to validate the quality and integrity of the Company's corporate reporting; and
- in accordance with the Company's Diversity Policy, reviewing, on an annual basis, the report prepared by the Remuneration & Nomination Committee outlining the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group.

The Board Charter provides that matters which are specifically reserved for the Board or its Committees include:

- appointment and removal of the Group Chief Executive Officer;
- approval of dividends;
- approval of annual budget;
- monitoring capital management and approval of capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- the establishment of Board Committees, their membership and delegated authorities; and
- calling of meetings of shareholders.

Board Committees

The Board is assisted in carrying out its responsibilities by the Audit & Risk Committee and the Remuneration & Nomination Committee. These standing Committees were established by the Board to allow detailed consideration of complex issues.

Each Committee has its own written Charter*, which is reviewed on an annual basis and is available on the Company's website. Further details regarding the Audit & Risk Committee and the Remuneration & Nomination Committee are set out under "Principle 4 – Safeguard Integrity in Corporate Reporting" and "Principle 2 – Structure the Board to Add Value", respectively, in this Corporate Governance Statement.

The Directors' Report at page 59 sets out the number of Board and Committee meetings held during the 2018 financial year under the heading "Directors' Meetings", as well as the attendance of Directors at those meetings.

Delegation to Management

Subject to oversight by the Board and the exercise by the Board of functions which it is required to carry out under the Company's Constitution, Board Charter and the Corporations Act, it is the role of management to carry out functions that are expressly delegated to management by the Board, as well as those functions not specifically reserved to the Board, as it considers appropriate, including those functions and affairs which pertain to the day-to-day management of the operations and administration of the Company.

Management is responsible for implementing the policies, business model and strategic objectives approved by 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. The Company has adopted a Delegated Authority Policy, which delegates to management the authority to carry out expenditure in relation to specified areas of the Company's operations, subject to the Company's policies and procedures in respect of the authorisation and signing of Company contracts, which includes a system of legal review. Management is charged with promulgating the Company's values across the organisation.

The functions exercised by the Board and those delegated to management, as explained in this statement and set out in the Board Charter, are subject to ongoing review to ensure that the division of functions remains appropriate.

Employment of executives

Company executives are each employed under written employment agreements, which set out the terms of their employment, including role and duties, the person to whom they report, remuneration, obligations of confidentiality, and the circumstances in which the executive's employment may be terminated.

Prior to the commencement of employment, the Company undertakes appropriate background checks on new senior executives.

Appointment of Directors

The Board has established a Remuneration & Nomination Committee to assist in the appointment of new Directors.

Further information concerning this Committee is set out under "Principle 2 – Structure the Board to Add Value" in this statement. The Remuneration & Nomination Committee periodically review the composition of the Board to ensure that the Board has an appropriate mix of expertise and experience. This review includes considering the appointment of new Directors and the re-election of incumbent Directors to the Board. An output of this process is the Board skills matrix set out under "Principle 2 – Structure the Board to Add Value".

The policy and procedure for the selection and appointment of new Directors is set out in an Annexure to the Board Charter. The factors that will be considered when reviewing a potential candidate for Board appointment include:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness, including a deep understanding of the media industry, corporate management and operational, safety and financial matters;
- the existing composition of the Board, having regard to the factors outlined in the Company's Diversity Policy and the objective of achieving a Board comprising Directors from a diverse range of backgrounds;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other board or executive appointments); and
- potential conflicts of interest and independence.

The Board believes the management of the Company benefits from, and it is in the interests of shareholders for Directors on the Board to have, a mix of tenures such that some Directors have served on the Board for a longer period and have a deeper understanding of the Company and its operations, and new Directors bring fresh ideas and perspectives.

As part of the selection and appointment process:

- the Board, and if so requested the Remuneration & Nomination Committee, identify potential Director candidates, with the assistance of external search organisations as appropriate;
- background information in relation to each potential candidate is provided to all Directors;
- appropriate background checks are undertaken before appointing a Director, or putting forward to shareholders a Director candidate for election; and
- an invitation to be appointed as a Director is made by the Chairman after having consulted all Directors, with recommendations from the Remuneration & Nomination Committee (if any) having been circulated to all Directors.

Appointed Directors receive a formal letter of appointment which set out terms of their appointment, and attaching remuneration entitlements and the Company's Corporate Governance Policies, including the Company's Share Trading Policy, which Directors are to abide by. Under the letter of appointment, Directors are also provided with a schedule of Board meetings, Deeds of Indemnity & Access and a summary of Director insurance arrangements.

New Director appointments during the year

During the year, the Board undertook a review of the Board's structure and composition, and on 2 November 2017 appointed two Independent Directors, Ms Teresa Dyson and Mr Michael Ziegelaar, to the Board.

The Board considers that these appointments add further depth and strength to the Board, and that each of these Directors will make a valuable contribution to the Company in terms of skills and experience.

Election and re-election of Directors

Directors appointed to fill casual vacancies hold office until the next Annual General Meeting and are then eligible for election by shareholders. In addition, each Director must stand for re-election at the third Annual General Meeting since they were last elected. Under the Company's Constitution, one-third of the Board (excluding the Managing Director and any Directors standing for election for the first time) must retire by rotation at each Annual General Meeting.

The Notice of Meeting for the Annual General Meeting discloses material information about Directors seeking election or re-election, including appropriate biographical details and qualifications, and other key current directorships.

Company Secretary

The Company Secretary's role is to support the Board's effectiveness by:

- helping to organise and facilitate the induction and professional development of directors;
- monitoring whether Company policies and procedures are followed;
- ensuring that the business at Board and Committee meetings is accurately captured in the minutes;
- advising the Board and Committees on governance matters; and
- coordinating the timely distribution of Board and Committee agendas and briefing materials.

The decision to appoint or remove a Company Secretary is made or approved by the Board. The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. Each of the Directors has access to the Company Secretary.

Board, Committee and Director performance evaluation

The Chairman closely monitors the performance and actions of the Board and its Committees. During the financial year, Directors completed a Board Evaluation questionnaire concerning Board, Committee and Director, including Chairman, performance from which aggregated data and responses are provided to the Chairman and then presented to the Board for discussion and feedback. The Board Evaluation questionnaire provides an opportunity for the Board to benchmark results year-on-year and to identify Board performance priorities, governance framework gaps and improve the effectiveness of meetings and Company processes.

The aggregated questionnaire results also provide the basis of individual discussions between Directors and the Chairman. The Chairman and each Board member consider the performance of that Board member in relation to the expectations for that Board member and consider any opportunities for enhancing future performance. Matters which may be taken into account include the expertise and responsibilities of the Board member and their contribution to the Board and any relevant Committees and their functions.

Additionally, during the financial year, a report on the program of work undertaken by the Board and each of its Committees, assessed against their respective Charter responsibilities and duties, is provided to the Board for discussion and for the purposes of reviewing performance of the Board and the Committees, as well as their Charters, to ensure that the Board and its Committees operate effectively and efficiently.

During the reporting period, performance evaluations of the Board, its Committees and individual Directors were carried out in accordance with this process.

Assessment of management performance

The performance of the Managing Director & Chief Executive Officer is formally reviewed by the Board against the achievement of strategic and budgetary objectives in respect of the Group's operations and investments whilst also having regard for his personal performance in the leadership of the Group. The Board's review is carried out annually in regard to certain goals against which he is assessed, and throughout the year in regard to others, and forms the basis of the determination of the Managing Director & Chief Executive Officer's performance-linked remuneration. The Remuneration Report sets out further details of the performance criteria against which the Managing Director's & Chief Executive Officer's performance-linked remuneration is assessed on pages 62 to 80.

The performance of senior executives of the Company is reviewed on an annual basis in a formal and documented interview process with either the Managing Director & Chief Executive Officer or the particular executive's immediate superior. Performance is evaluated against agreed performance goals and assessment criteria in relation to the senior executive's duties and material areas of responsibility, including management of relevant business units within budget, motivation and development of staff, and achievement of and contribution to the Company's objectives.

A performance evaluation of the Managing Director & Chief Executive Officer and other senior executives took place during the year in accordance with this process. For further information about the performance-related remuneration of senior executives and staff, please see the discussion set out under "Principle 8 – Remunerate Fairly and Responsibly".

Diversity policy

The Board recognises the benefits of a workplace culture that is inclusive and respectful of diversity. The Board values diversity in relation to age, gender, cultural background and ethnicity and recognises the benefits it can bring to the organisation. The Board has adopted a Diversity Policy* that sets out the Board's commitment to working towards achieving an inclusive and respectful environment. Please refer to pages 34 to 37 of this Annual Report for reporting on the Diversity Policy and the measurable objectives and initiatives relating thereto.

Principle 2 – Structure the Board to Add Value

Board composition

The Company's Constitution provides for a minimum of three Directors and a maximum of twelve Directors on the Board. As at the date of this statement, the Board comprises ten Directors, including nine Non-Executive Directors and the Managing Director & Chief Executive Officer.

The Non-Independent Directors in office are:

- Mr Kerry Stokes AC, Chairman
- Mr Tim Worner, Managing Director & Chief Executive Officer
- Mr Peter Gammell, Director
- Mr Ryan Stokes, Director

The Independent Directors in office are:

- Mr John Alexander, Director
- Ms Teresa Dyson, Director
- Mr David Evans, Director
- Mr Jeffrey Kennett AC, Director
- Mr Michael Malone, Director
- Mr Michael Ziegelaar, Director

Dr Michelle Deaker was a Director throughout the financial year until her retirement and resignation on 2 November 2017.

The qualifications, experience, expertise and period in office of each Director of the Company at the date of this Annual Report are disclosed in the Board of Directors section of this Annual Report on pages 41 to 43.

Board independence

The Board acknowledges the ASX Recommendation that a majority of the Board should be Independent Directors. The Board comprises a majority of Independent Directors, with four Non-Independent Directors and six Independent Directors since Ms Teresa Dyson's and Mr Michael Ziegelaar's appointment. During the period of the financial year prior to Dr Deaker's retirement and resignation the Board comprised four Non-Independent Directors and five Independent Directors.

In determining whether a Director is independent, the Board conducts regular assessments and has regard to whether a Director is considered to be one who:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

- is, or has previously been, employed in an executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor of, or a material consultant to, the Company or another Group member, or an employee materially associated with the service provider;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another group member other than as a Director.

The Board determines the materiality of a relationship on the basis of fees paid or monies received or paid to either a Director or an entity which falls within the independence criteria above. If an amount received or paid may impact the Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of the Group in the previous financial year by more than 5%, then a relationship will be considered material.

In the Board's view, the Independent Directors referred to above are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Directors' ability to act with a view to the best interests of the Company. Mr Michael Ziegelaar is a partner at Herbert Smith Freehills, a law firm which provides certain legal services to the Company. The legal services provided by Herbert Smith Freehills are not considered material having regard to the principles above and Mr Ziegelaar is not involved in providing the services. The Board is satisfied that Mr Ziegelaar's role with Herbert Smith Freehills does not interfere with the independent exercise of his judgment as a Non-Executive Director of the Company.

Mr Kerry Stokes AC, Mr Peter Gammell and Mr Ryan Stokes are not regarded as independent within the framework of the independence guidelines set out above because of their positions, or in the case of Mr Gammell, former position, within Seven Group Holdings Limited, which is a major shareholder of Seven West Media Limited. Due to his position as Managing Director & Chief Executive Officer, Mr Tim Worner is not considered to be independent.

Chairman

The roles of the Chairman and Chief Executive Officer are separate. Mr Kerry Stokes AC is the Chairman of the Company. The Chairman is responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between the Board and Management.

The Board acknowledges the ASX Recommendation that the Chairman should be an Independent Director, however the Board has formed the view that Mr Stokes is the most appropriate person to lead the Board as its Chairman given his experience and skills, particularly with regard to his long term association with various media businesses of the Group. In addition, the Company has a clear and accepted conflict of interest protocol to manage the relationships between the Company and Seven Group Holdings.

Board skills, experience and expertise

Each Director brings a range of personal and professional experiences and expertise to the Board. The Board seeks to achieve an appropriate mix of skills, tenures and diversity, including a deep understanding of the media industry across multiple channels, as well as corporate management and operational, financial and safety matters. Directors devote significant time and resources to the discharge of their duties.

Company's Purpose and Strategic Objectives

In accordance with its Charter, and consistent with emerging governance expectations, the Board has defined the Company's purpose as driving shareholder value by *"delivering engagement and value through powerful storytelling"*. The Board has identified the following areas as strategic objectives for the Company to achieve this purpose:

1. Focus on the Core

- Improve ratings and revenue performance.
- Grow returns on content investment.
  - Create, secure and curate the best local and international content.
  - Maximise the return on our content investment through every window and overseas sale.

2. Transform the Operating Model

- Deliver on operating cost saving targets.
- Drive efficiencies in existing assets.
- Partner with competitors in non-competitive areas to improve profitability.
- Evolve to a leaner and more agile operating model while protecting content quality.

3. Grow New Revenue Streams

- Drive greater digital adoption and yield.
- Introduce new content monetisation formats.
- Invest in data, automation and targeted advertising to maximise inventory yield.
- Invest in adjacent verticals where we can leverage the power of our assets.

4. Capital Management

- Prudent capital and balance sheet management to sustain future development of the Company.

5. Culture

- Enhancing alignment of the Company's culture to drive innovation and change through technology and to continue to reduce the Company's cost base.

Board Skills Matrix

The Board has developed a Board Skills Matrix reflecting the desired skills and experience required to be able to deliver on the strategic objectives of the Company. The Board believes that these skills and experiences are well-represented by its current composition.

The Board Skills Matrix is set out in two parts. The first table outlines the desired industry specific skills and experience and the second table outlines the depth of general corporate, executive and Director experience which are appropriate for the Company. The tables also outline the percentage of current directors possessing those skills and experience.

Skills and Experience	Percentage
Media industry leadership Senior executive or Board level experience in the media industry, including in-depth knowledge of the legislative and regulatory framework governing this industry.	80%
Banking, finance, asset and capital management Senior executive or Board level experience and understanding of banking markets and commercial financing arrangements as well as strategic planning and oversight of asset allocation and capital management.	90%
Marketing, sales and product distribution and servicing Senior executive or Board level experience in delivering product offerings to market, including marketing, branding and optimising sales processes and product distribution systems.	80%
Investment, mergers and acquisitions, venture capital and entrepreneurship Senior executive or Board level experience in analysis and identification of business and market opportunities as well as execution in relation to investment, mergers and entrepreneurial activities.	100%
Technology and telecommunications Senior executive or Board level experience in relation to information management, information technology and telecommunications as well as the oversight of implementation of major technology projects.	70%

Skills and Experience	Percentage
CEO and Board level experience Significant business experience and success at a senior executive level.	100%
Accounting and treasury Senior executive or equivalent experience in financial accounting and reporting, corporate finance, internal financial controls and an ability to probe the adequacies of financial risk controls.	90%
Corporate governance and organisation management Commitment to the highest standards of corporate governance, including experience within an organisation that is subject to rigorous governance and regulatory standards.	100%
Legal, regulation and compliance Senior executive or Board level experience in compliance and knowledge of legal and regulatory requirements.	90%
Risk management and audit Senior executive or Board level experience in identification, management and oversight of material corporate risks and audit, including ability to monitor risk and compliance.	100%
WHS, human resource management and remuneration Board remuneration committee membership or Senior executive experience relating to workplace health and safety, managing people and remuneration, including incentive arrangements and the legislative framework governing employees and remuneration.	100%

Remuneration & Nomination Committee

The Board has established a Remuneration & Nomination Committee comprised of the following members, all of whom are Independent Directors except for Mr Ryan Stokes:

- Mr John Alexander (Chairman)
- Mr David Evans
- Mr Jeffrey Kennett AC
- Mr Ryan Stokes

Dr Michelle Deaker was a member of the Remuneration & Nomination Committee throughout the financial year until her retirement and resignation on 2 November 2017.

The Remuneration & Nomination Charter* provides that the Committee must consist of a minimum of three members and must have a majority of Independent Directors, all of whom must be Non-Executive Directors.

Attendance at Committee meetings by management is at the invitation of the Committee. Directors who are non-Committee members may attend any meeting of the Committee. The Committee may request that Directors who are non-Committee members are not present for all or any part of a meeting. It is the practice of the Committee for the Managing Director & Chief Executive Officer and Senior Group Executive, Human Resources to attend Committee meetings to present to, or to assist, the Committee.

The Chairman of the Committee reports to the Board on the Committee's considerations and recommendations.

Further details concerning the Remuneration & Nomination Committee's role in relation to Board appointments are set out in this Corporate Governance Statement under the heading "Principle 1 – Lay Solid Foundations for Management and Oversight", and under "Principle 8 –Remunerate Fairly and Responsibly" in relation to its role regarding the Company's remuneration arrangements.

Director induction and ongoing training

As part of the induction process, Board appointees attend a briefing with the Chairman, meet with the Company Secretary about the Company's corporate governance (including its policies and procedures), visit key business sites and meet with Company Executives. In addition to an induction process for new Director appointments, from time to time, Directors attend external education seminars and peer group meetings regarding regulatory and compliance developments. The Company arranges presentations to the Board by Executives to update the Directors on the Group's business activities, as well as industry and regulatory developments.

The Director induction and ongoing training programs are reviewed to consider appropriate opportunities for Director development having regard to the desired skills and competencies for Board members as well as emerging governance issues such as digital disruption and cyber security.

Effective functioning of the Board

The Board, under the terms of appointment of Directors and by virtue of their position, is entitled to access, and is provided with, information concerning the Group needed to discharge its duties efficiently. Directors are entitled, and encouraged, to request additional information if they believe that is necessary to support informed decision making. Directors are able to obtain independent professional advice to assist them in carrying out their duties, at the Company's expense.

Principle 3 – Act Ethically and Responsibly

Core Values

In accordance with its Charter, the Board has approved the core values of the Company below which function as guiding principles and expectations for behaviour and the culture the Board and Management are seeking to embed across all businesses within the Group to assist in the achievement of the Company's purpose and strategic objectives set out under Principle 2.

The Company's core values have been determined following Management workshops, feedback from employees and presentation to the Board. The Company's core values are represented as motivational "catch-cries" which are displayed graphically at the Company's workplaces and promulgated to staff by Management, including across the Company's internal communications platforms and forums.

Connection – *"One connected team"*

Internal connection means a focus on achieving the best outcome for the Group as a whole. For our people to work with trust, integrity, positivity and without self-interest. The external connection that we are seeking to embed is a focus on the changes that are rapidly occurring in the media environment. This means questioning what we do and how we do it to ensure that it is reflective of our audience's and customers' changing needs.

Accountability – *"Just own it"*

Holding ourselves, and each other, accountable for delivering results and meeting our commitments. As we work towards the transformation of our business, our Management team must hold themselves and their staff accountable for achieving our key goals along the way.

Creativity/Passion – *"Here to inspire"* and *"Unleash your Imagination"*

This value reflects the creativity and passion that is key to our long-term success but is also about ensuring that creative effort is focused on our audience and customers. This is also recognition that we are striving for excellence and the retention of leadership positions by each of our core businesses.

Code of Conduct and other Company policies

The Board has adopted a Code of Conduct for Directors* which establishes guidelines for their conduct in matters such as ethical standards and the disclosure and management of conflicts of interests. The Code is based on a Code of Conduct developed by the Australian Institute of Company Directors.

The Company has adopted a Code of Conduct for Employees* which provides a framework of ethical principles for conducting business and dealing with customers, employees and other stakeholders. The Code sets out the responsibilities of employees in regard to the Company's commitment to workplace safety and employees' fulfilment of their work duties and compliance with Company policies. The Code requires employees to maintain confidentiality of confidential Company information, avoid conflicts of interest, not misuse Company property or accept or offer inappropriate gifts.

The Board has implemented a number of other policies and procedures to maintain confidence in the Company's integrity and promote ethical behaviour and responsible decision making, including the following:

- Continuous Disclosure policy*
- Share Trading policy*
- Group Editorial policy*
- Diversity policy*
- Issue Escalation policy

The Company's Issue Escalation policy (internal policy), which includes an external reporting 'hotline', encourages the reporting and investigation of unethical and unlawful practices and matters of concern which cannot otherwise be adequately dealt with under Company policies. The Company's Share Trading policy establishes the governing principles for trading in Company shares by Directors, Executives and Staff. The Company requires compliance with Company policies by staff under the terms of their employment and carries out training of employees in relation to its policies and procedures.

The Company assesses the Group as part of its compliance with the National Greenhouse and Energy Reporting Act and will be reporting relevant emissions and energy usage and production for the Group for the financial year.

Principle 4 – Safeguard Integrity in Corporate Reporting

Audit & Risk Committee

As at the date of this statement, the Committee comprised the following members, all of whom are Independent Directors except for Mr Peter Gammell and all of whom are non-executives:

- Ms Teresa Dyson (Chairman of the Committee)
- Mr David Evans
- Mr Peter Gammell
- Mr Michael Malone

Ms Teresa Dyson was appointed to the Audit & Risk Committee effective from 15 February 2018 and became Chairman of the Audit & Risk Committee on 19 February 2018.

The Board recognises and thanks Mr Evans for his unstinting efforts as Audit & Risk Committee Chairman in the period prior to Ms Teresa Dyson's appointment. Ms Evans continues to serve as a member of the Audit & Risk Committee.

Dr Michelle Deaker was a member of the Audit & Risk Committee throughout the financial year until her retirement and resignation on 2 November 2017.

The Audit & Risk Committee has adopted a formal Charter* which is available on the Company's website.

The Committee's key responsibilities in respect of its audit function are to assist the Board in fulfilling its responsibilities in relation to:

- the accounting and financial reporting practices of the Company and its subsidiaries;
- the consideration of matters relating to the financial controls and systems of the Company and its subsidiaries;
- work with management to ensure that a formal and rigorous processes is in place to validate the quality and integrity of the Company's corporate reporting, including financial reporting, and ensure that it is accurate, balanced and understandable and provides investors with appropriate information to make informed investment decisions;
- the identification and management of financial and non-financial risk; and
- the examination of any other matters referred to it by the Board.

The Audit & Risk Committee is also responsible for:

- making recommendations to the Board on the appointment (including procedures for selection), and where necessary, the replacement of the External Auditor;
- evaluating the overall effectiveness of the external audit function through the assessment of external audit reports and meetings with the External Auditors;
- reviewing the External Auditor's fees in relation to the quality and scope of the audit with a view to ensuring that an effective, comprehensive and complete audit can be conducted for the fee; and
- assessing whether non-audit services provided by the External Auditor are consistent with maintaining the External Auditor's independence.

Attendance at Committee meetings by management is at the invitation of the Committee. Directors who are non-Committee members may attend any meeting of the Committee. The Committee may request that Directors who are non-Committee members are not present for all or any part of a meeting. It is the practice of the Committee for the Managing Director & Chief Executive Officer, Chief Financial Officer and Head of Internal Audit to attend Committee meetings to present to, or to assist, the Committee.

The Chairman of the Committee reports to the Board on the Committee's considerations and recommendations.

The Audit & Risk Committee's key responsibilities in respect of its risk function are set out below under "Principle 7 – Recognise and Manage Risk".

External Audit function

It is the policy of the Audit & Risk Committee to meet periodically with the External Auditors without management being present.

Each reporting period, the External Auditor provides an independence declaration in relation to the audit. Additionally, the Audit & Risk Committee provides advice to the Board in respect of whether the provision of non-audit services by the External Auditor are compatible with the general standard of independence of auditors imposed by the Corporations Act.

The Board ensures that the Company's External Auditor attends all Annual General Meetings and is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the Auditor's report.

Declarations by the Managing Director & Chief Executive Officer and Chief Financial Officer

Before the Board approves the financial statements for each of the half year and full year, it receives from the Managing Director & Chief Executive Officer and the Chief Financial Officer a written declaration that, in their opinion, the financial records of the Company have been properly maintained and the financial statements are prepared in accordance with the relevant accounting standards and present a true and fair view of the financial position and performance of the consolidated group. These declarations also confirm that these opinions have been formed on the basis of a sound system of risk management and internal compliance and control which is operating effectively.

The required declarations from the Managing Director & Chief Executive Officer and Chief Financial Officer have been given for the half year ended 30 December 2017 and the financial year ended 30 June 2018.

Principle 5 – Make Timely and Balanced Disclosure

The Company is committed to complying with the disclosure obligations of the Corporations Act and the Listing Rules of the ASX, and to ensuring accountability at a senior executive level for that compliance. To that end, the Company has adopted a Continuous Disclosure Policy*.

The Company also follows a program of half yearly and yearly disclosures to the market on financial and operational results and has established policies and procedures to ensure that a wide audience of investors has access to information given to ASX for market release. Media releases, half yearly and yearly financial reports and results presentations are lodged with ASX and upon confirmation of receipt by ASX, they are posted to the Company's website.

In order to protect against inadvertent disclosure of price sensitive information, the Company imposes communication 'blackout' periods for financial information between the end of financial reporting periods and the announcement of results to the market.

The Board receives copies of all announcements under Listing Rule 3.1 promptly after they have been made.

Principle 6 – Respect the Rights of Shareholders

Communications with shareholders

As disclosed in the Shareholder Communication Policy*, the Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs and that there is an effective two-way communication with its shareholders facilitated via the Company's Investor Relations function. The Company adopted a communications strategy that promotes effective communication with shareholders principally through ASX announcements, the Company website, the provision of the Annual Report, including the financial statements, and the Annual General Meeting (and any extraordinary meetings held by the Company) and notices of general meetings. Information concerning resolutions for consideration at the Company's general meetings is provided in the notice of meeting. Shareholders are encouraged to participate in general meetings and are invited to put questions to the Chairman of the Board in that forum.

Shareholders are given the option to receive communications from, and to send communications to, the Company electronically, to the extent possible. The Board continues to review its channels of communications with shareholders for cost effectiveness and efficiencies, including using electronic delivery systems for shareholder communications where appropriate. The Company continues to implement campaigns to encourage shareholders to elect to receive all shareholder communications electronically to help reduce the impact on the environment and costs associated with printing and sending materials by post.

It is the Company's practice that all resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company's website

The Company's website www.sevenwestmedia.com.au provides various information about the Company, including:

- Overviews of the Company's operating businesses, divisions and structure;
- Biographical information for each Director;
- Copies of the following:
  - Board and Committee Charters;
  - Corporate Governance Policies;
  - Annual Reports and Financial Statements; and
  - Announcements to ASX;
  - Security price information;
  - Contact details for the Company's Share Registry; and
  - Details concerning the date of the Annual General Meeting, including the Notice of Meeting, when available.

Principle 7 – Recognise and Manage Risk

Risk oversight and management

The Board recognises that the management of business and economic risk is an integral part of its operations and has established policies and procedures for the oversight and management of material business risks, including the establishment of the Audit & Risk Committee. Details regarding the Committee are set out under "Principle 4 – Safeguard Integrity in Corporate Reporting".

The Board also believes a sound risk management framework should be aimed at identifying and delivering improved business processes and procedures across the Group which are consistent with the Group's commercial objectives.

Under the Audit & Risk Committee's Charter*, the Committee's key responsibilities in respect of its risk function are to:

- Oversee, evaluate and make recommendations to the Board in relation to the adequacy and effectiveness of the risk management framework and the risk management systems and processes in place, and be assured and in a position to report to the Board that all material risks have been identified and appropriate policies and processes are in place to manage them;
- Review and approve management's annual report on the effectiveness of the risk management systems;
- Review reports from management on new and emerging sources of financial and non-financial risk and the risk controls and mitigation measures that management has put in place to deal with those risks;

- Ongoing review of the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk, and reports to the Board regarding any recommended changes to the Company's risk management framework;
- Review, and make recommendations to the Board in relation to, the Company's insurance program and other risk transfer arrangements having regard to the Company's business and the insurable risks associated with it, and be assured that appropriate coverage is in place;
- Monitor compliance with applicable laws and regulations, review the procedures the Company has in place to ensure compliance and be assured that material compliance risks have been identified;
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding fraud or non-compliance with applicable laws and regulations and the confidential, anonymous submission by employees of the Company of any concerns regarding business practices; and
- Review and make recommendations to the Board in relation to any incidents involving fraud or other breakdown of the Company's internal controls.

The Board requires management to design and implement a risk management and internal control system to manage the Company's material business risks and report to it on the management of those risks. During the reporting period, management reported to the Board as to the effectiveness of the Company's management of its material business risks.

During the 2018 financial year, the Committee conducted periodic as well as the annual review of the Company's risk management framework and satisfied itself that the framework continues to be sound and effectively identifies potential risks.

Risk Management Policy

The Board has adopted a Risk Management Policy consistent with Australian Standard ISO 31000:2009 and Principle 7 of the ASX Recommendations.

The group-wide risk profile covers the key revenue, content, product/technology and people risks of the Company and is prepared by the Head of Risk Assurance & Internal Audit in consultation with key executives across the business. Throughout the year, the Audit & Risk Committee reviews the group-wide risk profile and the success of the risk mitigation strategies in order to satisfy itself that management is operating within the risk appetite set by the Board. External advice is obtained as appropriate.

Internal Control Framework – Risk Assurance & Internal Audit

The Company has established a Risk Assurance & Internal Audit function to evaluate and improve the effectiveness of the Company's governance, risk management and internal control processes. Functional responsibility for Risk Assurance & Internal Audit resides with the Head of Risk Assurance & Internal Audit who reports to the Chairman of the Audit & Risk Committee and has access to the Company's records, information systems, properties and personnel in order to conduct its activities. The Audit & Risk Committee reviews and approves Risk Assurance & Internal Audit's plans and resourcing as well as monitors its independence, performance and management's responsiveness to its findings and recommendations.

During the year, the Head of Risk Assurance & Internal Audit presented detailed Internal Audits and Risk reviews to the Committee regarding the effectiveness of the Company's management of its material business risks, in accordance with the approved Risk Assurance & Internal Audit plan. Focus areas of the 2018 Risk Assurance & Internal Audit plan included controls over payment systems, review of deployment of IT projects and enhancing the Company's anti-fraud programs.

Workplace Safety

The Company is committed to providing a safe workplace and maintains comprehensive workplace safety policies and systems which are overseen by health and safety specialists within the Company's Human Resources team and dedicated Risk, Safety and Security team. These polices are promulgated to staff through induction and training and the availability of information on the Company's intranet as well as through Occupational Health & Safety Committees and representatives at each business premises. Consultative workplace safety arrangements, ranging from formal quarterly health and safety committee meetings to other agreed arrangements, have been put in place at each key business premises. Procedures relating to security at the Company's business sites are prioritised and are subject to review and continuous improvement.

Management provides leadership by promoting a culture of safety and risk awareness and monitors and responds to incident reporting and provides regular workplace safety updates to the Board. Additionally, to support well-being within the workplace, the Company provides a free and confidential external counselling service for employees and their immediate families.

Environment

Environmental risks are considered as part of the Company's risk assessment processes. Environmental risks relating to the use and storage of any hazardous materials are identified and managed through regular inspections of business premises, reviews of compliance and emergency procedures, and advice from external consultants on environmental matters.

The Company is mindful of climate change and managing the environmental impact of its operations. For more information on the Company's environmental practices and the Company's efforts to minimise the environmental footprint of its businesses, please refer to pages 33 to 34 of this Annual Report.

Financial reporting

The Company maintains a comprehensive budgeting system with an annual budget reviewed by the Audit & Risk Committee, which is then recommended to, and considered and approved by the Board. Weekly and monthly actual results are reported against budget and revised forecasts for the year are prepared regularly.

Special reports

The Company has identified a number of key areas which are subject to regular reporting to the Board or its Committees such as cost reduction programs, legal and health and safety matters as well as cyber security, payment systems reviews and major technology projects.

Material risks

Under the risk framework described above the Company has identified revenue, content, product/ technology and people risks which it manages and mitigates. Each of the foregoing material business risks is monitored and managed by appropriate Senior Management within the Company. Where appropriate, external advisers are engaged to assist in managing the risk. More detail concerning these risks is set out under the headings "Risk Management" and "Risk Management Framework" on page 33 of this Annual Report. The Company does not believe it has any material exposure to environmental or social sustainability risks. Commentary on the Company's environmental and human capital related initiatives as well as its community engagement is provided on pages 33 to 40 of this Annual Report.

Strategy

The Company continues to transform its strategic focus to respond rapidly to the challenges and opportunities in its marketplace. For more information on the Company's revised strategic framework which underpins the Company's economic sustainability please refer to pages 2 to 5 of this Annual Report.

Principle 8 – Remunerate Fairly and Responsibly

Remuneration policy

The objective of the remuneration policy for employees is to ensure that remuneration packages properly reflect the duties and responsibilities of the employees and that remuneration is at an appropriate but competitive market rate which enables the Company to attract, retain and motivate people of the highest quality and with the best skills from the industries in which the Company operates.

Remuneration & Nomination Committee

To assist in the adoption of appropriate remuneration practices, the Board has delegated specific responsibilities to the Remuneration & Nomination Committee. Details regarding the Committee are set out under "Principle 2 – Structure the Board to Add Value".

The primary responsibilities of the Committee which relate to remuneration are:

- To review and advise the Board on Directors' fees and the remuneration packages, including equity incentive grants, of the Managing Director & Chief Executive Officer, Chief Executives and senior executives of the Group subsidiaries;
- To ensure the company has a rigorous and transparent process for developing its remuneration policy and for fixing the remuneration packages of directors and senior executives, in light of the objective that the company's remuneration framework is aligned with the company's strategic objectives, values and risk appetite;
- To provide advice and support and serve as a sounding-board for the Managing Director & Chief Executive Officer and Board in human resource and remuneration-related matters; and
- To advise on succession planning and employee development policies.

It is the practice for the Managing Director & Chief Executive Officer to attend meetings of the Remuneration & Nomination Committee to report on, or seek approval of, senior Group Management's remuneration, but he is not present during meetings of the Committee (or the Board) when his own performance or remuneration are being discussed or reviewed.

Remuneration of Directors and Senior Executives

The remuneration of the Non-Executive Directors is restricted, in aggregate, by the Constitution of the Company and the requirements of the ASX Listing Rules. Fees for Directors are set out in the Remuneration Report on pages 33 to 34.

The Committee reviews remuneration packages and policies applicable to the Managing Director & Chief Executive Officer and senior executives. This includes share schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits and insurance policies. External advice is sought directly by the Committee, as appropriate. The Committee also directly obtains independent market information on the appropriateness of the level of fees payable to Non-Executive Directors and makes recommendations to the Board.

The Remuneration & Nomination Committee met after the end of the financial year to review and recommend to the Board performance-related remuneration for Key Management Personnel. This process is summarised in the Remuneration Report on pages 62 to 80. Further details of Directors' and executives' remuneration, superannuation and retirement payments are set out in the Remuneration Report. The Board's remuneration policy and a discussion of the differing structures of Non-Executive Directors and senior executives' remuneration are also discussed in the Remuneration Report throughout sections 1 to 6.

Hedging

It is the Company's policy that employees (including KMP) are prohibited from dealing in Seven West Media securities if the dealing is prohibited under the Corporations Act. Therefore, in accordance with this policy, all Key Management Personnel are prohibited from entering into arrangements in connection with Seven West Media securities which operate to limit the executives' economic risk under any equity-based incentive schemes.

This statement has been approved by the Board and is current as at 21 August 2018.