

Charter - Board of Directors

The role of the Board of Directors is to provide leadership and direction to management and to agree with management the aims, strategies and policies of the Company. The Board is also responsible for the overall corporate governance of the Company.

In particular, the functions and responsibilities of the Board include:

- Final approval of corporate strategy, annual budgets and performance objectives developed by the Co-CEOs and management and monitoring the implementation of that strategy;
- Reviewing and ratifying of the risk management and internal control framework, codes of conduct and legal and other internal compliance programs;
- Ensuring that management is appropriately and adequately resourced and monitoring and review the performance of management;
- Approval and monitoring of significant capital expenditure, acquisitions and divestitures in excess of A\$10 million;
- Approval of dividends, dividend policy and any other capital management initiatives developed by management involving returns to shareholders;
- Approval and monitoring of significant financial and other reporting;
- Appointment and removal of the Co-Chief Executive Officers;
- Monitoring compliance with corporate governance policies and assessing the appropriateness and adequacy of corporate governance policies and implementing changes or additions that are deemed fitting.

In fulfilling this responsibility the Board is supported by a number of committees whose composition is reviewed periodically. These committees assist the Board by reviewing and monitoring the financial reports, remuneration levels, corporate governance and audit process and business risk management controls and operations of the Company.

The Board has 4 Committees, namely:

- Audit & Risk Committee;
- Nomination Committee;
- Remuneration Committee; and
- Corporate Governance Committee.

In addition the Company has an Executive Committee comprised of senior management including the Company's Executive Directors. All Board Committees provide recommendations to the Board however the Executive Committee has specific powers delegated to it by the Board.

With the exception of the Executive Committee, all Committees shall comprise a majority of Independent Directors and shall be suitably resourced.

The composition of the Board is determined in accordance with the following principles:

- The Board shall comprise at least six Directors with an appropriate balance of Executive, Non-executive, Independent and Shareholder Directors, the definitions of which are set out below.

Executive Director: one in full time employment with the Company or a subsidiary within the Village Roadshow Group, either directly or through a consultancy;

Non-executive Director: one who is not in full time employment with the Company but may derive a small proportion of their income (excluding Directors' Fees) directly or indirectly from the Company by management or consultancy services;

Independent Director: one who is not a substantial shareholder nor associated directly with a substantial shareholder, is non-executive and is not or has not been employed in an executive capacity nor principal of a material professional advisor or consultant within the last two years, is not a material supplier or customer, has no material contractual relationship with the Company other than as a director, is free from any interest or business or relationship which could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company and who derives minimal or zero income from the Company compared to income from other sources, regardless of the length of service of the Director;

Shareholder Director: one with a prescribed direct, indirect or representative shareholding interest exceeding 5 percent of the total issued ordinary capital of the Company;

- The Board shall comprise Directors with an appropriate range of qualifications and specific industry expertise that will enable them to make a contribution to the deliberations of the Board.
- The Board shall meet at least six times per year. Meeting guidelines ensure that Directors are provided with all necessary information to participate fully in an informed discussion of all agenda items.
- Informal meetings of Non-executive Directors and Independent Directors are held to discuss matters of mutual interest when necessary.

Where the Board has appointed Co-Chairs, the Chair of any Board meeting shall be determined by the meeting.

Membership of the Board is the exclusive responsibility of the full Board of Directors, subject to the approval of the Company's shareholders in general meeting, based on recommendations from the Nomination Committee and the desired skill sets for potential directors as recommended by the Corporate Governance Committee. All relevant appropriate checks of director candidates are carried out by the Nomination

Committee prior to any decision by the Board to appoint any person a Director of the Company.

A formal written agreement by means of a Letter of Appointment and a consent to act as a Director is provided to incoming Directors together with such appropriate induction as may be required by the incoming Director including copies of the Company's various charters, policies and governance documentation including the entering into of an appropriate deed of indemnity, insurance and access with the Company relating to their service as a Director of the Company and requiring a Standing Notice of the Director's material personal interests.

The Company shall provide a statement to shareholders regarding Board support for candidates standing for election or re-election as a Director and identify those considered by the Board to be an Independent Director.

All Directors have direct access to the Company Secretaries who are accountable to the Board and are appointed and removed by the Board. All Directors are entitled to seek independent professional advice at the Company's expense, subject to the prior approval of one of the Co-Chairs, such approval not to be unreasonably withheld.

All Directors are entitled to engage in appropriate professional development at the Company's expense, to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

The Chair or Co-Chairs of the Company are determined by the Board of Directors, recognising the Company's ownership structure. This is at variance to ASX Recommendations. The Board is of the opinion that the executive roles of the incumbent Co-Chairs in the day to day operations of the Company adds significant value to the Company due to their material financial commitment and considerable experience in the Company's businesses.

In accordance with good practice, as the Co-Chairs of the Board are not Independent Directors, the Board of Directors considers it to be useful and appropriate to designate an Independent Non-Executive Director to serve in a lead capacity to co-ordinate the activities of the other Non-Executive Directors.

Dr. P.D. Jonson has held this role as Lead Independent Director from November 2008 to July 2014 when Mr. D.J. Evans was appointed Lead Independent Director. (See separate Charter for Lead Independent Director).