

1. PURPOSE

The purpose of this policy is to assist in aligning the interests of the non-executive directors of Southern Cross Media Group Limited (**Company**) with the long-term financial interests of the Company's shareholders.

2. DEFINITION

The following definitions apply in this policy.

Base Fee means the base fee for acting as a non-executive director of the Company. It relates to amounts paid pre-tax, and:

- (a) excludes any higher or additional fee for acting as Chairman, membership of any committee of the Board, and any *ad hoc* additional work performed as a director; and
- (b) includes superannuation contributions.

Share means a fully paid ordinary share of the Company.

3. TARGET SHAREHOLDING REQUIREMENTS

3.1 Overview

- (a) A non-executive director must acquire and hold Shares equivalent to 100% of their Base Fee (**Target Shareholding**). For the purposes of calculating whether the Target Shareholding has been met, the calculation is based on the Share price at the time of purchase and/or vesting.
- (b) The Company encourages non-executive directors to begin acquiring Company Shares from the date of their appointment to meet their Target Shareholding within three (3) years of the date of their appointment.
- (c) Once a non-executive director has met the Target Shareholding, the non-executive director must maintain it for their tenure as a non-executive director of the Company. This may require the non-executive director to acquire additional Shares.

4. INTERESTS COUNTED IN TARGET SHAREHOLDING REQUIREMENT

The Shares or interests in Shares that count towards a non-executive director meeting the Target Shareholding requirement under this policy are Shares that are:

- (a) owned by the non-executive director or the non-executive director's "associated entities" and "close associates", each as defined in the *Corporations Act 2001* (Cth); or
- (b) owned through a trust or in a superannuation fund for the benefit of a person or entity referred to in paragraph 4(a).

Vested or unvested rights to Shares (i.e. options or performance rights) or vested Shares with loan balances do not count towards meeting the Target Shareholding. If the Target Shareholding of a non-executive director is not met at the vesting date of any rights to Shares, those rights will be automatically exercised or converted and allocated Shares will be subject to a holding lock until the Target Shareholding is met. Board's discretion

The Board may vary the Target Shareholdings or duration of the accumulation period in respect of a non-executive director which may include consideration of:

- (c) changes to the annual Base Fees of the non-executive director;
- (d) restrictions on the acquisition of the Company's Shares due to insider trading laws or prohibited periods for trading; or

5. INCOME TAX OR OTHER FINANCIAL OBLIGATIONS OF THE NON-EXECUTIVE DIRECTOR.ANNUAL REPORTING

Not later than 15 July each year, each non-executive director must report to the Company Secretary on their ownership of Shares as at the immediately preceding 30 June, using the Shareholding Declaration in appendix 1 to this policy (or any other form acceptable to the Company Secretary). The Company Secretary must table these reports at the next Board meeting.

6. ANNUAL CALCULATION OF REQUIRED NUMBER OF SHARES

Not later than 31 July each year, the Company Secretary will notify each non-executive director:

- (a) of the aggregate purchase price paid by the non-executive director for Shares then held by the non-executive director (net of the proceeds of sales of Shares by the non-executive director); and
- (b) whether that amount is less or greater than the Base Fee: and
- (c) if that amount is less than the Base Fee, the date by which the non-executive director is required to purchase additional shares to comply with this policy.

7. DISPOSALS OF SHARES

Subject to paragraph 9, a non-executive director may only dispose of Shares if:

- (a) the non-executive director has submitted a written request to the Company Secretary (in substantially the form set out in appendix 2 to this policy) which, among other things, confirms the proposed disposal will not breach that non-executive director's Target Shareholding under this policy and will comply with the Company's Securities Trading Policy; and
- (b) the Company Secretary has given the non-executive director written notice that the disposal is approved in whole or in part (in the Company Secretary's absolute discretion).

The Company Secretary will inform the Chairman (or in the case of a request by the Chairman, the Chair of the Audit and Risk Committee) of each request submitted under this paragraph 7 and whether the request is approved.

8. RELATIONSHIP TO THE COMPANY'S SECURITIES TRADING POLICY

Non-executive directors must comply with the Company's Securities Trading Policy in addition to any requirements of this policy. This includes a general prohibition on dealing in Shares during a blackout period under that policy.

9. EXEMPTION FROM COMPLIANCE WITH THIS POLICY

- (a) There may be exceptional circumstances in which compliance with this policy would cause or contribute to severe financial difficulty for a non-executive director or could prevent a non-executive director from complying with an order of a court of law or statutory obligations (e.g. tax liabilities).
- (b) In these exceptional circumstances, the non-executive director may submit a request to the Company Secretary (in substantially the form set out in appendix 2 to this policy) including details of the applicable financial difficulty or other exceptional circumstances and the extent to which an exemption from the policy is sought.
- (c) The Chairman (or, in respect of a request by the Chairman, the Chair of the Audit and Risk Committee will decide whether and to what extent any exemption may be granted. In doing so, they will consider the application of the Company's Securities Trading Policy and whether any related clearance to dispose of Shares should be granted under that policy.
- (d) If an exemption is granted in whole or in part, the Chairman or Chair of the Audit and Risk Committee (as applicable), with assistance from the Company Secretary, will work with the non-executive director to develop an alternative Share ownership plan that reflects both the purpose of this policy and the non-executive director's individual circumstances.

10. REVIEW OF POLICY

- (a) This policy will be periodically reviewed to ensure that it is operating effectively.
- (b) The Company Secretary is authorised to make administrative amendments to this policy.

Appendix 1

Shareholding Declaration

This declaration is required to be submitted to the Company Secretary by each non-executive director covered by the Non-executive Director Share Ownership Policy not later than 15 July each year in respect of holdings of Shares as at the immediately preceding 30 June.

Name:	Position:
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I declare that my holding of Shares as at 30 June (**Year End**) is as follows:

Registered holder	Relationship	Number of Shares
Total		

Signed:

Date:

Appendix 2

Request by non-executive director to dispose of Shares (or for an exemption from compliance with the policy)

This form is required to be submitted to the Company Secretary when a non-executive director covered by the Non-executive Director Share Ownership Policy requests approval to dispose of Shares (or to be exempted from compliance with the policy).

Name:	Position:
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I request approval to dispose of Shares in Southern Cross Media Group Limited.
My interests in Shares at present and after the proposed disposal (or non-compliance) are as follows:

Registered holder	Relationship	Number of Shares	
		Before disposal	After any disposal
Total			
Estimated value of Shares to be disposed of			

Reasons for proposed disposal of Shares or exemption from compliance (including details of applicable financial difficulty or other exemption circumstances if, following the proposed disposal, the non-executive director's holding of Shares will not comply with the target Shareholding requirements of the Non-executive Director Share Ownership Policy):

Signed:

Date: