

# Corporate Governance Charter

China Integrated Media Corporation Limited adopted on 22 January 2013 and current and up to date as at that date

## Section

1. BOARD CHARTER
2. SECURITIES TRADING POLICY
3. CODE OF ETHICS AND VALUES
4. AUDIT AND RISK COMMITTEE CHARTER
5. STANDING RULES OF COMMITTEES
6. NOMINATION AND REMUNERATION COMMITTEE CHARTER

## DEFINITIONS

ACT	Corporations Act 2001 (Cth)
AGM	annual general meeting of the Company
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires)
Audit and Risk Management Committee	Committee responsible for internal controls and oversight of financial management and financial matters generally, and for risk management, across the Group as detailed in its Charter
Board	board of Directors
Board Charter	charter of corporate governance in relation to the Board contained in section 1 of this document
Chairman	chairman of the Board
Charter	Board Charter or (according to context) the charter of any Committee contained (in each case) in this document
CEO	the executive officer or executive officers (whether or not a Director or Directors, and by whatever title known, whether chief executive officer, managing director, or otherwise) with sole or joint responsibility for the strategic and operational management of the Company and the Group
Committee	committee of the Board
Constitution	constitution of the Company
CFO	chief financial officer or equivalent officer of the Company
Company or Group	China Integrated Media Corporation Limited ABN 98 132 653 948 and its controlled entities
Director	director of the Company
Group Operating Policies & Procedures	policy and procedures applicable to the Group from time to time adopted by the Board
Independence	independence within the meaning of section 1.5 of this document
Independent	independent within the meaning of section 1.5 of this document
Key Personnel	key personnel specified in clause 2.3
Nomination and Remuneration Committee	Committee responsible for remuneration and related matters as detailed in its Charter
Secretary	secretary of the Company
Security	equity, debt or other security of any kind of the Company
Shareholder	holder of shares in the Company

# Section 1

## Corporate Governance Charter

### Board Charter

January 2013

# 1 INTRODUCTION

- 1.1 This policy outlines the main corporate governance practices that are in place for the Company and to which both the Board collectively and the Directors individually are committed. The conduct of the Board is also governed by the Constitution, and, to the extent that the terms of the Constitution are inconsistent with this document, the Constitution is to prevail.

# 2 FUNCTION

- 2.1 The Board's broad function is the:

- Strategic direction;
- Leadership of the Group;
- Setting of financial targets;
- Monitoring of the implementation and execution of strategy and performance against financial targets; and
- Appointment and overseeing of the performance of executive management.

# 3 POWERS

- 3.1 The Board has responsibility for the matters specified in section 1.2 above and, in addition to those matters reserved to it by law, reserves to itself the following matters and all power and authority in relation to those matters:

- Composition of the Board itself;
- Oversight of the Group including its control and accountability systems;
- Appointment and the removal of the CEO;
- Appointment and the removal of the CFO and the Secretary;
- Reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and regulatory compliance;
- Monitoring senior management's performance;
- Implementation of strategy;
- Approving of major capital expenditure, acquisitions and divestitures;
- Approving and monitoring financial and other reporting;
- Monitor relevant industry developments;
- Developing suitable key indicators of financial performance;
- Overall corporate governance of the Group; and
- Oversight of Committees.

# 4 COMPOSITION

- 4.1 The composition of the Board is determined according to the following principles:

- The Board must comprise members with a broad range of experience, expertise and skills relevant to the Group and its business;
- There must be at least three Directors; and
- The number of Directors may be increased where the Board considers that additional expertise is required in specific areas.

## **5 INDEPENDENCE**

- 5.1 a) The Board has adopted the following definition of an Independent Director:
- An Independent Director is one who is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the company.
  - The board does not consider that the independence can be assessed with reference to an arbitrary and set period of time.
- b) The Board will assess the Independence of each Director in the light of the interests disclosed by them. The Independence of Directors will be disclosed in the annual report

## **6 APPOINTMENT AND RETIREMENT**

- 6.1 a) When a vacancy exists the Board will consider candidates identified having regard to:
- What may be appropriate for the Company and the Group;
  - The skills, expertise and experience of the candidates;
  - The mix of those skills, expertise and experience with those of the existing Directors; and
  - Compatibility of the candidates with the Group and with the existing Directors.
- b) The Board then appoints the most suitable candidate who continues in office only until the next AGM and is then eligible for election.
- c) The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment.
- d) Under the Constitution at least one third of all Directors, being the longest serving Directors, must retire at each AGM. Directors, excluding the CEO (if a Director), must also retire if a third AGM falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.

## **7 PERFORMANCE REVIEW AND EVALUATION**

- 7.1 a) The performance of all other Directors is reviewed and assessed each year by the Chairman.
- b) The performance of the Chairman is reviewed and assessed each year by the other Directors.

## **8 TRAINING AND ADVICE**

- a) Directors are provided with proper information in relation to the Company and the Group before accepting appointment.
- b) Each Director has the right to seek independent legal or other professional advice at the Company's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

## **9 MEETINGS**

- 9.1 a) Board meetings are normally held monthly but will number not less than nine in any year.
- b) Papers for Board and Committee meetings are circulated in advance of the relevant meeting.

## **10 SECRETARY**

- 10.1 The Secretary is accountable to the Board on all corporate governance matters and is responsible for monitoring that the Charter is duly followed and for coordinating the completion and despatch of Board and Committee agenda and briefing materials.

## **11 COMMITTEES**

- 11.1 a) The Board may establish Committees to assist it in carrying out its function and will adopt a charter for each Committee established dealing with the scope of its responsibility and relevant administrative and procedural arrangements.
- b) The Committees established and subsisting at the date of this document are the following:
- Audit and Risk Committee; and
  - Nomination and Remuneration Committee.

## **12 ETHICAL STANDARDS AND VALUES**

- 12.1 a) All Directors and all officers of the Group must act with the utmost integrity and objectivity.
- b) The Directors must comply with the Code of Ethics in the exercise of their duties.

## **13 DEALINGS IN SECURITIES**

- 13.1 The Constitution permits Directors to acquire Securities. Company policy is disclosed in the Securities Trading Policy.

## **14 BUSINESS RISKS**

- 14.1 a) The Board has the responsibility for the maintenance of the strategy of the Company which includes the identification of significant business risks. The Board reviews the major risks affecting each business segment and develops strategies to mitigate these risks.
- b) Once a risk is identified, an action plan is instigated, and the Board is informed of the action plan proposed by management. The Board must evaluate and approve by majority of the Board the action plan. Corrective action is taken as soon as practicable.
- c) The CEO and CFO must each provide a statement to the Board with the half yearly and annual financial report to the effect that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

## 15 COMMUNICATION WITH SHAREHOLDERS

15.1 The Board aims to ensure that Shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to Shareholders as follows:

- a) The Company's continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board.
- b) The annual report is distributed to all shareholders that have elected to receive a copy and is also made available on the ASX website and company website.
- c) Proposed major changes in the Group which may impact on share ownership rights and the removal and appointment of Directors are submitted to a vote of shareholders at an AGM. If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called. The Board encourages full participation of Shareholders at the AGM and at other general meetings.
- d) The external auditors will be requested to attend the AGM and be available to answer questions by Shareholders on the conduct of the audit and the preparation and content of the audit report.
- e) The half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The report is lodged with and available from the ASX and the ASIC.
- f) Information concerning the Company and the Group, including copies of announcements made through the ASX and the annual report and half-yearly report, is made available to Shareholders and prospective investors in the Company on the Company's website.

\* \* \*

(January 2013)

# Section 2

## Corporate Governance Charter

# Securities Trading Policy

January 2013

## 1 GENERALLY

- 1.1 The China Integrated Media Corporation Limited Securities Trading Policy regulates dealings in shares and other securities issued by China Integrated Media Corporation Limited by:
- (a) directors and employees of CIMC; and
  - (b) directors and key management personnel of each of CIMC's wholly owned subsidiaries, (in this Policy, referred to as **restricted persons**).
- 1.1 In order to preserve the reputation and integrity of CIMC, it is vital that when people associated with CIMC deal in CIMC's securities those dealings are not only fair, but are seen to be fair. When restricted persons deal in securities of CIMC they must be sure that it does not reflect improperly on them or CIMC.
- 1.2 The rationale for the Policy is to ensure that restricted persons are aware of the legal restrictions on trading CIMC securities while a person is in possession of unpublished CIMC price-sensitive information and to impose certain closed periods during which trading is prima facie prohibited.

## 2 STANDARDS

- 2.1 All restricted persons should ensure that all transactions in CIMC shares or other CIMC securities which may be issued from time to time by CIMC (**CIMC shares**) comply with:
- (a) the Corporations Act 2001 and Regulations (particularly the insider trading provisions); and
  - (b) the ASX Limited Listing Rules (particularly the continuous disclosure requirements in Listing Rule 3.1 and the disclosure of the director's interests in accordance with Listing Rule 3.19A).

## 3 THE INSIDER TRADING PROVISIONS

- 3.1 The insider trading provisions of the Corporations Act (**Insider Trading Provisions**) operate to prohibit a person (which includes a company) in possession of "inside information" about financial products (including shares) from:
- (a) applying for, acquiring or disposing of those financial products (or entering into an agreement to do so) (the trading offence);
  - (b) "procuring" another person to do any of the things set out in paragraph (i) (the procuring offence); and
  - (c) in some cases where the financial products are able to be traded on a financial market, merely communicating the information.
- 3.2 A person will be taken to have *procured* another if that person incites, induces, or encourages or causes an act or omission by another person.

"Inside information", is information which is not "generally available" and information which a reasonable person would expect to have a "material effect on the price" or value of the particular financial products in question.

## **4 RESTRICTIONS ON TRADING AND DEALING**

### **4.1. General restrictions**

Restricted persons:

- (a) must not engage in short term trading of any CIMC shares (ie. buy shares with an intention to sell shares within a 12 month period); and
- (b) must not, despite anything to the contrary in this Policy, trade in any CIMC shares while that person is in possession of inside information.

### **4.2. Specific restrictions**

Restricted persons who hold CIMC shares under an incentive plan offered by CIMC from time to time, must not, without the prior consent in writing of CIMC, sell, create a security interest in, or otherwise dispose or deal with their CIMC shares or any of their interests in any of those CIMC shares.

## **5 CLOSED PERIODS FOR TRADING**

5.1 Subject to paragraph 6 below, restricted persons must not trade in CIMC's shares during the following 'closed periods':

- (a) 1 July up to and including the day on which CIMC's half year results are released; and
- (b) 1 January up to and including the day on which CIMC's full year results are released.

## **6 EXEMPTIONS**

### **6.1. Excluded trading**

6.1.1 A restricted person may trade in CIMC shares during a closed period if that trading falls within one of the following categories of "excluded trading":

- (a) transfers of CIMC shares already held from a restricted person's own name into a superannuation fund to which the restricted person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in CIMC shares) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) undertakings to accept, or the acceptance of, a takeover offer;
- (d) trading under an offer or invitation made to all or most of CIMC's members such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- (e) a disposal of CIMC shares that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; or
- (f) trading under any CIMC employee incentive scheme in accordance with the rules of a Board approved Incentive Plan.

## 6.2. Trading with consent

A restricted person may trade in CIMC shares during a closed period if that person obtains written permission to do so in accordance with paragraph 6.3.

## 6.3. Procedure for obtaining written consent to trade

- (a) A restricted person who wishes to trade in CIMC shares during a closed period (**Applicant**) must obtain the prior written permission (whether by letter, facsimile, electronic or other form of visible communication) of:
  - (i) the Chairman and the Chief Executive Officer; or
  - (ii) where the Chairman or the Chief Executive Officer is the Applicant, the other of them and the Chair of the Audit and Corporate Governance Committee (collectively the **Approvers**).
- (b) As part of his or her application, an Applicant must give the Approvers an undertaking that the Applicant complies with paragraph 4.1(a);
- (c) The Approvers may only provide written permission (whether by letter, facsimile, electronic or other form of visible communication) to trade in CIMC shares where:
  - (i) the restricted person is in severe financial hardship or other exceptional circumstances exist; and
  - (ii) the Approvers are satisfied that there is no inside information which has not been disclosed to ASX Limited.
- (d) The following are examples of situations of severe financial hardship or other exceptional circumstances which the Approvers may consider sufficient to warrant approval under this paragraph 6:
  - (i) “severe financial hardship” could include (but is not limited to) the Applicant having a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant CIMC shares; and “exceptional circumstances” could include (but is not limited to) where the Applicant is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell CIMC shares or there is some other overriding legal or regulatory requirement for him or her to do so.
- (e) An Applicant seeking clearance to trade must satisfy the Approvers that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant CIMC shares is the only reasonable course of action available.
- (f) Determination as to whether the Applicant is in severe financial hardship or whether a particular set of circumstances exist may only be made by the Approvers.
- (g) Any permission provided under this paragraph 6 must be obtained by the Applicant not less than 2 business days before the proposed trade.

## 7 POLICY RESPONSIBILITY

7.1 Each restricted person is responsible for adhering to CIMC’s policy for trading in CIMC shares.

7.2 The Company Secretary has responsibility for maintaining the Policy.

## **8 INSIDE TRADING**

8.1 The requirements imposed by the Policy are separate from, and additional to, the legal prohibitions in the Corporations Act on insider trading.

\* \* \*

(January 2013)

# Section 3

## Corporate Governance Charter

# Code of Ethics and Values

January 2013

## **1 OBJECTIVE**

- 1.1 The objective of this code is to give the Directors a guide to be followed in performing their duties with a view to enabling them to achieve the highest possible standards in the discharge of their obligations.

## **2 OBLIGATION**

- 2.1 A Director has an obligation, at all times, to comply with the spirit and the principles of this code as well as the law.

## **3 GENERAL DUTIES**

- 3.1 Directors must:

- Act in good faith in the best interests of the Company and for a proper purpose;
- Act in the interests of all shareholders and to avoid any potential conflict of interest;
- Exercise a reasonable degree of care and diligence;
- Not make improper use of information; and
- Not make improper use of their position.

- 3.2 The Act requires directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and duties and the discharge of their duties.

- 3.3 The Company maintains directors' and officers' liability insurance. Directors should ensure that they are fully aware of the terms of this insurance so as to be able to qualify for protection under it.

## **4 BUSINESS JUDGEMENT RULE**

- 4.1 a) A director's duty to act with care and diligence will be taken to be satisfied where the director:

- Makes a judgment in good faith and for a proper purpose;
- Has no material personal interest in the subject-matter of the judgment made;
- Is informed about the subject-matter of the judgment to the extent the director reasonably believes to be appropriate; and
- Rationally believes the judgment to be in the best interest of the company.

- b) The business judgment rule

- Relates only to decisions about the ordinary business operations of the company; and
- Does not relieve a director from other fiduciary duties (over and above those owed as a director) such as to act in good faith, not to misuse the position of director, not to make improper use of confidential information, and to prevent insolvent trading.

- c) A business judgment is any decision to take or not to take action in respect of a matter relevant to the business operations of the company; it does not apply to any failure to take a decision.

## **5 DECISION-MAKING**

5.1 A Director must be independent in judgement and actions and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

5.2 In order to satisfy this requirement a Director must:

- Make a reasonable effort to become and remain familiar with the affairs of the Group;
- Attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- Commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Group without placing undue reliance on other Directors to fulfill those duties.

5.3 Directors should rely on advice relating to Company or the Group or their affairs only where that advice is given or prepared by:

- An employee whom the Director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- A professional adviser or expert in relation to matters that the Director believes on reasonable grounds to be within the person's professional or expert competence;
- Another Director or officer in relation to matters within that Director's or officer's authority; or
- A Committee (on which the Director did not serve) in relation to matters within the Committee's authority.

5.4 And should only rely on such information or advice if:

- The Director's reliance was made in good faith, and after making an independent assessment of the information and advice, having regard to the Director's knowledge of the Company and Group and the complexity of their structure and operations; and
- The reasonableness of the reliance arose in proceedings brought to determine whether the Director performed his or her duties under the Corporations Act 2001 or the common law.

## **6 CONFIDENTIALITY**

6.1 Directors must observe confidentiality regarding all Board matters and all confidential information received by a Director in the course of the exercise of their duties.

- a) All information received by a Director in the course of fulfilling Board duties must be regarded as confidential and remains the property of the Company.
- b) A Director may not disclose information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by the Company or is required by law to be disclosed.
- c) Authorisation by the Company will be presumed where and to the extent that Board or Committee minutes convey, either expressly or implicitly, that it is intended that disclosure should be made to third parties.
- d) Any Director in any doubt as to their obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure.

## **7 IMPROPER USE OF INFORMATION**

7.1 A Director must not make improper use of information acquired as a Director.

## **8 CO-OPERATION**

- 8.1 Directors must observe solidarity with the resolutions of the Board and co-operate in their implementation.

## **9 PERSONAL INTERESTS AND CONFLICTS**

- 9.1 A Director must not take improper advantage of their position as a Director.
- 9.2 No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice their conduct or any Board or Committee decision.

## **10 CONDUCT**

- 10.1 A Director must not engage in conduct likely to bring discredit upon the Company or the Group.
- 10.2 Each Director must be and remain aware of, and observe, any standing orders adopted by the Board from time to time for the conduct of Board and committee meetings.
- 10.3 Directors must at all times comply with the spirit as well as the letter of the law and with the principles of this code.

\* \* \*

(January 2013)

# Section 4

## Corporate Governance Charter

### Audit and Risk Committee Charter

January 2013

## **1 PURPOSE**

- 1.1 The primary function of the Audit and Risk Committee ("Committee") is to assist the Board to carry out the following:
- a) review and monitor the integrity of the Group's financial reports and statements;
  - b) review and oversee systems of risk management, internal control and legal compliance;
  - c) oversee the process for:
    - identifying significant risks facing the CIMC Group; and
    - implementing appropriate and adequate control, monitoring and reporting mechanisms; and
  - d) liaise with and monitor the performance and independence of the external auditor.
- 1.2 The Committee is responsible for considering the risk management processes, internal controls and compliance systems within the CIMC Group.
- 1.3 With regard to financial statements, the Committee is responsible for reviewing the consolidated accounts of China Integrated Media Corporation Limited ("CIMC"). The Committee relies on Management attestation, external audit review and / or subsidiary Board review in considering the financial statements of CIMC Group Subsidiaries.

## **2 MEMBERSHIP**

- 2.1 Members of the Committee (including the Committee Chair) are appointed by the Board.
- 2.2 The Committee will consist of at least two members and only non-executive directors. The majority of members (including the Committee Chair) must be independent, non-executive directors of the Board.
- 2.3 The term of appointment is for a period of one year.
- 2.4 Committee members are eligible for re-appointment subject to the composition and skill requirements for the Committee.
- 2.5 The Chairman of CIMC and executive directors of the Board are not eligible to be members of the Committee.
- 2.6 The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Committee.
- 2.7 Each member must have a working familiarity with general finance and accounting practices. At least one member of the Committee must have accounting or related financial management expertise.
- 2.8 The performance of the Committee will be evaluated at least annually.

### **3 RESPONSIBILITIES**

#### 3.1 Financial Reporting

- 3.1.1 Review half-yearly and yearly financial reports and statements with Management and the external auditor.
- 3.1.2 Review and make recommendations to the Board regarding significant financial, accounting and reporting issues.
- 3.1.3 Receive representation letters from the Managing Director and CEO and CFO.
- 3.1.4 Review CIMC's financial reporting and disclosure processes and the outputs of those processes.
- 3.1.5 Review the appropriateness of the accounting policies adopted by Management in relation to the financial reports.
- 3.1.6 Review financial statements for compliance with accounting standards and policies and other requirements relating to the preparation of financial reports.
- 3.1.7 Assess whether the half-year and full-year financial reports are consistent with the Committee members' information and knowledge.

#### 3.2 External Audit

- 3.2.1 Annually consider the appointment of the external auditor and, as required, consider the procedures for the selection and appointment of the external auditor and whether an audit tender process is required. Any subsequent recommendation on the appointment of the external auditor is put to the Board. If a change is approved, it will be put forward to shareholders for their approval.
- 3.2.2 Review and approve the terms of engagement and fees of the external auditor at the start of each audit.
- 3.2.3 Consider and review the scope of work, reports and activities of the external auditor including interaction with internal audit.
- 3.2.4 Review the findings of the audit with the external auditor.
- 3.2.5 Establish and review policies as appropriate in relation to independence of the external auditor.
- 3.2.6 Assess the independence of the external auditor based on the information received from the external auditor and Management. In assessing independence, the Committee considers:
  - a) the employment of former employees of the external auditor;
  - b) policies on the supply of non-audit services by the external auditor;
  - c) the fees for audit and non-audit services provided by the external auditor on a regular basis;
  - d) the rotation of audit partners;
  - e) the external auditor's own statement on independence; and
  - f) any other information from the external auditor setting out all its relationships that may affect its independence.

- 3.2.7 Review the effectiveness of the annual audit and the performance of the external auditors taking into account the opinions of Management and internal audit.
- 3.3 Risk Management, Internal Audit and Internal Control
- 3.3.1 Review the Group enterprise risk framework for identifying, monitoring and managing significant business risks across the Group and consider whether the enterprise risk framework and internal controls effectively identify areas of potential, material risk.
- 3.3.2 Consider the effectiveness of the Group's internal control system.
- 3.3.3 Review and approve the charter, annual audit plans and activities for the internal audit function (and where appropriate, without Management present).
- 3.3.4 Review the internal auditor's reports on significant findings and recommendations on internal control.
- 3.3.5 Monitor Management's response to reviews and recommendations of the internal and external auditors regarding internal control systems and procedures.
- 3.3.6 Review the adequacy of resources and governance arrangements of the internal audit function.
- 3.3.7 Review and concur on the appointment, replacement or dismissal of the General Manager Internal Audit.
- 3.3.8 Review the performance, objectivity, independence and effectiveness of the internal audit function.
- 3.4 Insurance Program
- 3.4.1 Review the CIMC Group's insurance program at least annually having regard to the Group's business and the insurable risks associated with the Group's business.
- 3.5 Compliance
- 3.5.1 Review the Group's framework for identifying, monitoring and managing compliance with laws and regulations.
- 3.5.2 Obtain regular updates from Management regarding matters in relation to the Group's compliance with significant statutory requirements.
- 3.5.3 Review reports from Management in relation to CIMC's compliance with its statutory, license and other key obligations, including (but not limited to):
- significant statutory requirements;
  - license obligations; and
  - any material matters arising from Regulatory Assurance reviews.

## **4 AUTHORITY & REPORTING**

- 4.1 The Committee reports to the Board.
- 4.2 The external auditor reports to the Committee and the Board.
- 4.3 The internal auditor reports to the Committee for audit purposes.

- 4.4 The Committee has authority to:
- 4.4.1 investigate any activity within its Charter and any matters specifically requested by the Board;
  - 4.4.2 resolve any disagreements between Management and the external auditor regarding financial reporting;
  - 4.4.3 delegate authority to subcommittees of the Committee; and
  - 4.4.4 obtain outside legal or other independent professional advice as necessary to assist the Committee.
- 4.5 The Committee shall consider at each meeting whether any significant matters should be brought to the attention of the Board. The Committee will endeavour to raise these matters in a form and timeframe that assists the Board to discharge its duties effectively. Minutes of Committee meetings and an update from the Committee Chair is provided at the following Board meeting.

## **5 ACCESS**

- 5.1 The Committee has unrestricted access to all records and staff of the Group (including internal audit and the external auditor without Management present) and has the right to seek explanations and additional information from Management and auditors.

## **6 MEETINGS AND ATTENDANCE**

- 6.1 The Committee will meet at least four times per year and the schedule of meetings will be agreed in advance.
- 6.2 Additional meetings may be convened as required or as requested by the Committee Chair or the Board.
- 6.3 The Committee Chair will call a meeting of the Committee if so requested by any member of the Committee, the external auditor, internal auditor or by the Chairman of the Board.
- 6.4 A quorum shall be any 2 members.
- 6.5 Should the Committee Chair be absent from the meeting, the members of the Committee present at the meeting have the authority to choose one of their number to chair that particular meeting.
- 6.6 The primary functions, responsibilities and composition of the Committee, along with the attendance by members at committee meetings, will be disclosed in the annual report.
- 6.7 As necessary or desirable, the Committee Chair may invite members of Management, internal audit, representatives of the external auditor and / or other external advisors to be present at meetings of the Committee. Board members may attend any meeting of the Committee. The Committee may request non-committee members to withdraw for all or any part of the meeting.
- 6.8 At least once per year, the Committee shall meet with the external auditor without Management present.
- 6.9 At least annually, the Committee shall meet with the internal auditor without Management present.
- 6.10 The Secretary of the Committee will be a representative from the Company Secretariat.

- 6.11 The agenda and supporting papers will be delivered to Committee members in advance of the meeting. At the discretion of the Chair of the meeting, additional papers may be tabled for discussion at the meeting.
- 6.12 Proceedings of all meetings are minuted by the Secretary, approved by the Committee and signed by the Chair of the next Committee meeting. Minutes of Committee meetings are tabled at Board meetings.

## **7 REPORTING LINES TO THE COMMITTEE**

- 7.1 For the purpose of supporting the independence of their functions, the external auditor and General Manager of Internal Audit have a direct line of reporting access to the Committee.
- 7.2 Under the terms of the Group's Whistleblowing Policy, the Group staff have access to the Committee Chair if required.

## **8 REVIEW OF CHARTER**

- 8.1 The Charter is reviewed annually by the Committee to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
- 8.2 The Committee will review annually that all activities listed in the Charter have been addressed.
- 8.3 All amendments to the Charter are discussed and approved by the Board.

\* \* \*

(January 2013)

# Section 5 Corporate Governance Charter

## Standing Rules of Committees

January 2013

# **1 Standing Rules of Committees**

## 1.1 Application

1.2 These rules apply to, and are deemed incorporated into the Charter of each Committee, except insofar as they may conflict with any of its terms.

# **2 Composition**

2.1 a) Each Committee must consist of no fewer than two members.

b) Committees are appointed by the Board and serve as determined by the Board. One member of any Committee is appointed to act as its chairman.

# **3 Role**

3.1 Each Committee has the role of improving the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

# **4 Proceedings**

## 4.1 Proceedings

a) Any meeting may be held by means of conference call or any other means of communication that may, under the Act or the Constitution, be used for Board meetings.

b) The quorum for any meeting is two members.

c) Any Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member.

d) Any Committee may delegate any specific task to one of its members or to a sub-committee.

# **5 Reporting**

5.1 Any Committee reports to the Board following each Committee meeting with a copy of the minutes or by way of written report.

# **6 Secretary**

## 6.1 Secretary

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for monitoring that the Charter is duly followed and for coordinating the completion and despatch of Committee agenda and briefing materials.

\* \* \*

(January 2013)

# Section 6

## Corporate Governance Charter

# Nomination & Remuneration Committee Charter

January 2013

# 1 PURPOSE OF THE CHARTER

- 1.1 The Nomination & Remuneration Committee ('Committee') is a committee of the China Integrated Media Corporation Limited Board ('CIMC Board').
- 1.2 This Charter sets out the role and responsibilities, composition and structure of the Committee.
- 1.3 The CIMC Board has delegated certain responsibilities to the Committee which will require formal reporting back to the CIMC Board. The ultimate responsibility of nomination and remuneration policy matters rests with the CIMC Board.

# 2 ROLE & RESPONSIBILITIES

- 2.1 The Committee has the delegated responsibility from the CIMC Board to conduct detailed examination of certain matters which may require the CIMC Board's approval.
- 2.2 The Committee is responsible for reviewing the following remuneration matters:
  - a) Remuneration and incentive framework for the Managing Director & CEO;
  - b) Remuneration and incentive framework for all staff; and
  - c) Remuneration of CIMC Group non executive directors.
- 2.3 The Committee is responsible for reviewing the following nomination matters:
  - a) Process for the nomination and selection of non executive directors to the CIMC Board\*;
  - b) Succession plans for China Integrated Media Corporation Limited and its controlled entities ("CIMC" or "Group") non executive directors;
  - c) Induction programs for CIMC non executive directors;
  - d) Assess the requirements for non executive directors and set a transparent process to review whether they are meeting those requirements;
  - e) Establish and evaluate the necessary and desirable competencies of the CIMC Board and CIMC Board Committees; and
  - f) Establish and monitor strategies on gender diversity for the CIMC Group.

\*Procedures for the nomination and appointment of non executive directors to the CIMC Board are governed by the China Integrated Media Corporation Limited Constitution, Listing Rules and the Corporations Act.

- 2.4 The Committee will review the following matters and in doing so, shall consider whether any significant matters should be brought to the attention of the CIMC Board.
  - a) staff induction programs;
  - b) superannuation arrangements;
  - c) senior management and key staff succession plans;
  - d) recruitment, retention and termination strategies;
  - e) staff resourcing trends and metrics;
  - f) achievement against gender diversity objectives including representation of women at all levels of the organisation; and
  - g) other relevant matters identified from time to time, or requested by the CIMC Board.

### **3 COMPOSITION & STRUCTURE**

- 3.1 The Committee members are appointed, removed and/or replaced by the CIMC Board. Appointments are for twelve month terms or as otherwise determined by the CIMC Board.
- 3.2 The Committee will consist of at least two members, a majority of which are independent CIMC non executive directors.
- 3.3 The Chairman will be the Chairman of the CIMC Board.
- 3.4 A quorum shall be at least two members or any greater number determined by the CIMC Board.
- 3.5 The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a director of the CIMC Board.

### **4 FREQUENCY OF MEETINGS**

- 4.1 The Committee shall meet at least two times per annum and more frequently as required.

### **5 ATTENDANCE AT MEETINGS**

- 5.1 CIMC non executive directors who are not Committee Members may attend Committee meetings.
- 5.2 CIMC executive directors or senior management that are not members of the Committee may be invited to attend meetings of the Committee.
- 5.3 The Managing Director and Chief Executive Officer may attend Committee Meetings. (The Managing Director and Chief Executive Officer is not to be present when the Committee discusses issues relating to the Chief Executive Officer).

### **6 ACCESS AND ADVISERS**

- 6.1 The Committee shall have direct access to CIMC senior management.
- 6.2 The Committee Chairman shall have the authority to directly seek independent, professional or other advisers as required for the Committee to carry out its responsibilities.
- 6.3 If the Committee engages expert advisers on matters pertaining to the remuneration of CIMC directors and key management personnel, those advisers are to provide advice directly to the Committee, independent of management.
- 6.4 If the Committee enters into an arrangement or commissions advisers on matters relating to remuneration these arrangements will be disclosed in the Corporate Governance section of the CIMC annual report to shareholders.

## **7 REPORTING**

- 7.1 The Committee reports to the CIMC Board and Committee meeting minutes will be provided to the CIMC Board for noting.
- 7.2 The Committee will ensure that the CIMC Board is provided with sufficient information to ensure informed decision making.

## **8 REVIEW**

- 8.1 The Committee will review its Charter annually to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
- 8.2 Amendments to the Charter, other than updates for CIMC branding or position titles, are to be approved by the CIMC Board.

## **9 PUBLICATION**

- 9.1 A copy of this Charter is available at [www.chinamedia.com.au](http://www.chinamedia.com.au).

\* \* \*

(January 2013)