

INTRODUCTION

The Board of Directors of Ten Network Holdings Limited ('the Company') is committed to responsible corporate governance in accordance with community and shareholder expectations.

In determining the standards that the Company should seek to achieve, the Company has reviewed, with the assistance of external advisers, its practices in terms of the revised *Corporate Governance Principles and Recommendations* which were issued by the ASX Corporate Governance Council in August 2007 and took effect for the first financial year commencing on or after 1 January 2008 ('the ASX Guidelines').

The Company considers that its practices were largely consistent with those contained in the ASX Guidelines (except where referred to below) and continued efforts have been directed throughout the year to attaining a greater level of compliance.

In summary, compliance with the ASX Guidelines has been achieved as follows:

ASX PRINCIPLE		COMPLIANCE
Principle 1: Lay solid foundations for management and oversight		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Comply
1.2	Companies should disclose the process of evaluating the performance of senior executives.	Comply
1.3	Companies should provide the information indicated in <i>Guide to reporting on Principle 1</i> .	Comply
Principle 2: Structure the board to add value		
2.1	A majority of the board should be independent directors.	Non-Comply
2.2	The chair should be an independent director.	Non-Comply
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Non-Comply
2.4	The board should establish a nomination committee.	Comply
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Comply
2.6	Companies should provide the information indicated in <i>Guide to reporting on Principle 2</i> .	Comply
Principle 3: Promote ethical and responsible decision-making		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to:	
	3.1.1 the practices necessary to maintain confidence in the company's integrity,	Comply
	3.1.2 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders, and	Comply
	3.1.3 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Comply
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of the policy.	Comply
3.3	Companies should provide the information indicated in <i>Guide to reporting on Principle 3</i> .	Comply
Principle 4: Safeguard integrity in financial reporting		
4.1	The board should establish an audit committee.	Comply
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> – consists only of non-executive directors. – consists of a majority of independent directors. – is chaired by an independent chair, who is not chair of the board. – has at least three members. 	Comply
4.3	The audit committee should have a formal charter.	Comply
4.4	Companies should provide the information indicated in <i>Guide to reporting on Principle 4</i> .	Comply

ASX PRINCIPLE		COMPLIANCE
Principle 5: Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Comply
5.2	Companies should provide the information indicated in <i>Guide to reporting on Principle 5</i> .	Comply
Principle 6: Respect the rights of shareholders		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	Comply
6.2	Companies should provide the information indicated in <i>Guide to reporting on Principle 6</i> .	Comply
Principle 7: Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Comply
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Comply
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with s295A of the <i>Corporations Act</i> is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Comply
7.4	Companies should provide the information indicated in <i>Guide to reporting on Principle 7</i> .	Comply
Principle 8: Remunerate fairly and responsibly		
8.1	The board should establish a remuneration committee.	Comply
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Comply
8.3	Companies should provide the information indicated in <i>Guide to reporting on Principle 8</i> .	Comply

The Company is pleased to report in detail below on its performance in regard to the recommendations contained in the ASX Guidelines as they related to the Company and its subsidiaries ('the consolidated entity').

**PRINCIPLE 1:
LAY SOLID FOUNDATIONS FOR
MANAGEMENT AND OVERSIGHT**

**Recommendation 1.1:
Establish the functions reserved
to the board and those delegated
to senior executives and disclose those
functions.**

The key responsibilities and functions of the Board of the Company are as follows:

- (a) considering the strategic goals of the consolidated entity as developed by management, approving appropriate goals, and monitoring the performance of the consolidated entity against them;
- (b) appointment of senior management of the consolidated entity (and their direct reports) and the Company Secretary, and the determination of their terms and conditions of appointment (including remuneration);
- (c) monitoring and evaluating the performance of senior management of the consolidated entity in achieving any strategies and budgets approved by the Board;
- (d) reviewing on a regular and continuing basis:
 - (i) executive and Board succession planning; and
 - (ii) executive development activities.
- (e) appointment of the Chairperson;
- (f) determination of the membership and terms of reference of Board committees;
- (g) adoption of, and monitoring compliance with, corporate governance policies including the risk management policy and internal controls;
- (h) determining any matters in excess of discretions that it may have, from time to time, delegated to the senior management; and
- (i) approving each of the following:
 - (i) the financial and capital expenditure budgets;

- (ii) significant changes to the organisational structure and the appointment of such senior officers as the Board may determine;
- (iii) the acquisition, establishment, disposal or cessation of any significant business of the consolidated entity;
- (iv) payment of dividends in accordance with the Constitution;
- (v) the appointment of the external auditor and remuneration payable in connection with the audit of the financial statements and non-audit services;
- (vi) the issue of any shares, options, equity instruments or other securities and any major debt obligations to be incurred by the consolidated entity;
- (vii) annual financial statements and Directors' reports;
- (viii) periodic news releases of the consolidated entity's financial results;
- (ix) any changes to the discretions delegated from the Board; and
- (x) the risk management policies of the consolidated entity.
- (j) monitoring compliance with regulatory requirements and ethical standards;
- (k) monitoring compliance with the ASX Listing Rules continuous disclosure requirements;
- (l) monitoring and enforcement of the provisions contained in Schedule 1 of the Constitution relating to compliance with the ownership and control provisions of the *Broadcasting Services Act*.

It is the role of senior management within the consolidated entity and its subsidiaries to manage the activities of those companies in accordance with the direction and delegations of the Board. It is the Board's responsibility to oversee the activities of management in carrying out those delegated duties. The Board is also responsible for reviewing the strategies proposed by its management for the growth and operations of the consolidated entity.

In carrying out its governance role, the task of the Board has been to drive the performance of the consolidated entity and its subsidiaries. The Board also seeks to ensure that these companies comply

with all of their contractual, statutory and other legal obligations.

**Recommendation 1.2:
Companies should disclose the process of evaluating the performance of senior executives.**

In the case of senior executives of the consolidated entity, a formal performance evaluation process was conducted under the guidance of the Remuneration Committee. This process involves the mutual identification and agreement of performance criteria at the commencement of each financial year. At the end of each financial year, each senior executive meets with their direct manager in a performance evaluation interview. In the case of the Executive Chairman, such review is conducted by the Remuneration Committee. At the conclusion of these interviews, each senior executive is assigned a performance rating and given feedback. The performance criteria for senior executives are set out on page 35 of the Annual Review.

**Recommendation 1.3:
Companies should provide the information indicated in Guide to reporting on Principle 1.**

A performance evaluation for each of the senior executives has been undertaken. Each of these performance evaluations was in accordance with the process referred to in the discussion about Recommendation 1.2 immediately above.

**PRINCIPLE 2:
STRUCTURE THE BOARD
TO ADD VALUE**

**Recommendation 2.1:
A majority of the board should be independent directors.**

Details of the Directors in office during the 2009 financial year are set out on pages 32 to 33.

The Company considers that four of its seven Directors in office during the 2009 financial year were not independent, being Nick Falloon (as an Executive Chairman), Leonard Asper, Tom Strike and Peter Viner (as executives of Canwest, which held a controlling majority interest in the Company). The Company considers that the individual directors made valuable and appropriate decisions in the best interests of the Company, despite the majority of the Board not being independent directors.

The Company considers that John Studdy, Paul Gleeson and Jack Cowin are independent Directors. In determining whether a Director is independent, the Board has regard to whether a Director is considered to be one who:

- (a) has a material relationship as a supplier or customer or in any other contractual role with the consolidated entity (either directly, or as a partner, shareholder or executive officer of an organisation that has a material relationship with the consolidated entity);
- (b) is, or has been within the previous three years, employed by the consolidated entity;
- (c) is, or has been within the previous three years, a principal of a material professional adviser, the auditor, or a material consultant to the consolidated entity or an employee materially associated with the service provided;
- (d) is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- (e) has served on the Board of the Company for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the consolidated entity; and
- (f) is free from any interest and any business or other relationship that could, or could be perceived to, materially interfere with the Director's ability to act in the best interests of the consolidated entity.

The Board has previously determined that a material relationship is to be determined on the basis of fees paid or moneys received or paid to either a Director or a Director-related entity, which may impact the EBITDA of the consolidated entity in the previous financial year by more than 5 per cent.

These criteria continue to apply in determining the independence of Directors of the Company.

In the case of the Canwest Group's representatives, the Board considered that, given the significant role played by the Canwest Group in the early 1990s in rescuing the Ten licensee companies

from financial distress and the significant international media industry expertise and experience of the relevant Carwest Group Board members, these Directors provided substantial contributions to the Ten Board.

The Board considered that the independent Directors, who have served for a number of years, brought considerable skill, experience and expertise to the Company and they continued to review and challenge the performance of management and exercise independent judgement. Accordingly, the Board considered the length of service did not materially interfere with the ability of the respective Directors to act in the best interests of the Company during the last financial year.

The Company also considers that whilst Jack Cowin is the chairman of, and holds a substantial interest in Competitive Foods Australia Limited, which is an advertising client of the consolidated entity, his company is not a material customer.

The Constitution of the Company provides that generally one third of those Directors (other than a Managing Director, Alternate Directors and any Director who has been appointed to fill a casual vacancy or as an addition to the Board since the last annual general meeting) are required to retire and seek re-election each year and no Director can hold office for more than three years without seeking re-election.

The Directors may appoint persons to fill casual vacancies or as additions to the Board. Any person filling a casual vacancy or appointed as an additional Director holds office until the next annual general meeting, where they must retire but are eligible for re-election.

Nominations to fill a casual vacancy are reviewed by the Nomination Committee of the Board, with recommendations submitted to the Board of Directors for approval.

A person is only eligible to be elected as a Director (other than if his or her re-election arises from retirement by rotation) where both the nomination of the person by a member and a consent to nomination signed by the person, are received by the Company at least 35 business days before the relevant general meeting.

**Recommendation 2.2:
The chair should be an independent director.**

**Recommendation 2.3:
The roles of chair and chief executive officer should not be exercised by the same individual.**

Nick Falloon is the Executive Chairman of the Company and also holds the roles of the Chairman and Chief Executive Officer of The Ten Group Pty Limited. Mr Falloon was originally appointed to these roles in February 2002.

In considering the nominations for appointment of the Chairman at that time, the Boards of the Company and The Ten Group Pty Limited ('Ten Group') considered that Mr Falloon had an outstanding record and reputation in the media sector and was held in the highest regard across Australia's business community.

In addition, the Board believed that, given Mr Falloon's operational skills and experience in the media, it was appropriate for him to also assume executive responsibilities within the consolidated entity. The Board continues to consider Mr Falloon demonstrates these qualities.

While Mr Falloon holds the position of both Chairman and Chief Executive Officer of Ten Group, Mr Grant Blackley holds the position of Chief Executive Officer – Television and Mr Gerry Thorley occupies the position of Chief Executive Officer of Eye Group, being the two operating divisions within the consolidated entity.

The Company considers that Mr Falloon makes valuable and appropriate decisions in the best interests of the consolidated entity, despite exercising these dual roles.

The Board is of the view that, as Executive Chairman, Mr Falloon is well positioned to ensure constructive dialogue between the Board and management. The Board is also of the view that Mr Falloon's performance indicates he is able to effectively discharge his dual roles.

**Recommendation 2.4:
The board should establish a nomination committee.**

The Board maintains a Nomination Committee comprised of all of the Directors of the Company.

This Committee is chaired by John Studdy, who is an independent, non-executive Director.

A charter has been established which charges the Nomination Committee with responsibility for considering issues associated with Board composition and succession planning, including nomination of independent non-executive Directors to the Board. The Nomination Committee is in the process of formulating procedures and policies for the selection and appointment of new independent Directors and, once adopted, these procedures will be made available on the Company's website.

During the year, the Nomination Committee met on one occasion, with all members being represented.

The Company considers that the individual directors made valuable and appropriate decisions for the purposes of the Nomination Committee, despite the majority of the Committee not being independent directors.

**Recommendation 2.5:
Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.**

The Nomination Committee has previously been delegated responsibility to review the performance of the Board, its Committees and individual Directors.

Agendas are set by the Board's Chairman to ensure adequate coverage of financial, strategic and major risk areas throughout the financial year.

In order to assist the Board in the performance of its duties, reports are prepared by each of the relevant General Managers and submitted to Directors in advance of each regular Board meeting.

Additionally, key financial information reports are prepared and distributed to each Director at the end of each calendar month, with Directors having the opportunity to receive weekly pacing reports that show latest revenue and ratings performances.

Members of the Board and Board Committees are entitled to retain independent professional advisers from time to time as considered necessary.

Directors have access to the Company Secretary to assist in the provision of any information reasonably sought by Directors and the Company Secretary is accountable to the Board through the Chairman on all governance issues.

Under the Constitution, the Company Secretary is required to be appointed and removed by the Board as a whole.

Recommendation 2.6:
Companies should provide the information indicated in *Guide to reporting on Principle 2*.

Information about the skills, experience and expertise of the Directors is contained at pages 32 to 33 of the Annual Review. This information also notes the period of office held by each Director in office at the date of the annual report.

The Board undertakes an informal review on an ad hoc basis of the Board, its committees and individual Directors through the use of internal surveys, regular Board discussions and interactions. As the composition of the Board was impacted by the Canwest sell-down of its majority stake in the Company, a formal review of performance of the Board was not undertaken.

A copy of the charter for the Nomination Committee appears on the Company's website.

PRINCIPLE 3:
PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.1:
Companies should establish a code of conduct and disclose the code or a summary of the code, as to:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account the legal obligations and reasonable expectations of their shareholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The consolidated entity has adopted a Code of Conduct that governs conflicts of interest, corporate opportunities, confidentiality, unethical behaviour and compliance with laws and regulations.

A copy of this Code appears on the Company's website.

The Group Chief Financial Officer has also undertaken to the Audit Committee that he will comply with the Group of 100 CFO Code of Conduct.

In addition, each executive is bound by a written employment agreement that also contains provisions dealing with confidentiality, conflicts of interest, compliance with laws and other policies adopted by the consolidated entity.

Recommendation 3.2:
Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.

The Company has implemented a policy in relation to dealings in the securities of the Company by Directors and employees of the Company. This policy provides that these persons should be aware of the insider trading provisions contained in the *Corporations Act* when considering any dealings in shares of the Company.

Directors and senior executives are also prohibited from dealing in securities in the Company during the period commencing at the conclusion of each six monthly financial period and concluding on the day following the release by the Company of its relevant half yearly announcement to the Australian Securities Exchange. This policy reflects the perception that, during these periods, Directors and senior executives may be in possession of significant financial information associated with the preparation of the consolidated entity's periodic financial disclosures to the market.

The Company has not adopted a policy to date in relation to dealings by Directors or senior executives in financial products issued or created over the Company's securities by third parties or trading in associated products. Under the terms of the relevant employee share plan rules, senior executives are not permitted to enter into transactions involving unvested share entitlements to the Company's shares.

Directors are required to inform the Chairman when they wish to trade shares in the Company. Executives have been advised to contact the Company Secretary regarding any queries or concerns over share trading restrictions.

PRINCIPLE 4:
SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1:
The board should establish an audit committee.

Recommendation 4.2:
The audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair who is not chair of the board; and
- has at least 3 members.

The Board of the Company has previously established an Audit Committee. The members of this Committee are:

- Paul V Gleeson (Chairman)
- Thomas C Strike (resigned 1 October 2009)
- John B Studdy
- Jack J Cowin

The Chairman of the Committee is a member of the Institute of Chartered Accountants and has significant experience in dealing with financial and accounting matters.

The details of the qualifications of the remaining members of this Committee may be found in their Director Profiles on pages 32 to 33. Details of attendances at meetings of the Audit Committee are set out at page 33.

Recommendation 4.3:
The audit committee should have a formal charter.

The Audit Committee of the Company has a formal charter. The charter indicates that responsibilities of the Audit Committee include:

- reporting to the Board on their activities;
- reviewing the effectiveness of management systems, in areas of greatest financial risk;
- recommending to the Board on the appointment of the external auditor and on the auditor's remuneration;
- maintaining a policy for the provision of audit and non-audit services by the external auditor;
- reviewing and assessing the auditor's report and the actions proposed by management in response;

- being satisfied that the scope of the audit is adequate especially in relation to areas where the Audit Committee believes special attention is necessary;
- reviewing the accounting policies and practices of the consolidated entity;
- monitoring compliance with the Company's Statement of Corporate Governance;
- reviewing related party transactions that may involve Directors, management and employees giving rise to actual or potential conflicts of interest and providing appropriate advice as to any necessary disclosures to the Board; and
- reviewing the half yearly and annual financial statements.

The charter is reviewed annually by the Audit Committee to determine if any changes are required. During the last financial year, the Audit Committee reviewed the charter but made no changes to its terms.

The charter for the Audit Committee may be accessed on the Company's website.

In accordance with the *Corporations Act*, the lead and review audit partner is required to rotate at least every five years.

The Committee regularly meets with the external auditor in the absence of management so as to discuss potential issues associated with management controls, the preparation and audit of consolidated entity financial reports and the performance of management in relation to such issues.

The partner from Pricewaterhouse Coopers responsible for the audit of the financial statements of the Company attends the annual general meeting of the Company to answer any questions that shareholders may wish to raise in relation to the conduct of the audit of the financial statements.

Shareholders may submit written questions to the auditor in relation to the content of the auditor's report and the conduct of the audit of the annual financial statements, no later than the 5th business day before the annual general meeting.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1:
Companies should establish written policies and procedures designed to

ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company, as a listed company, is required to comply with the Listing Rules of the ASX.

The Board of the Company has previously established a policy to ensure that the Company Secretary, together with the Group Chief Financial Officer, will ensure that any information requiring disclosure by the Company will be referred to the Chairman for review prior to any disclosure being made.

A copy of this policy also appears on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1:
Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Company provides regular financial releases to the ASX in respect of its half-year (ending February) and full-year (ending August) financial results. These disclosures are generally made during March/April and October of each year.

The financial results are generally posted to the Company's website within 24 hours of disclosure to the ASX. Similarly, any other major disclosures to the ASX outside of the financial results are also posted to the Company's website. Those shareholders who wish to be advised of any announcements, may notify the Company's registry, which will arrange for an email to be sent to the shareholder advising that an announcement has been posted on the Company's website on each occasion that a major disclosure is made by the Company to the ASX.

The Company also posts copies of all presentations made to analysts and media representatives on its website and shareholders may communicate with the Company by email. An audio file of presentations by senior executives in relation to the consolidated entity's half

yearly and yearly results may be accessed at the Company's website.

The Company produces its annual review for dispatch to shareholders generally by early November each year. Shareholders are given the opportunity to 'opt-in' to receive the annual review. In the event that a shareholder does not elect to opt-in to receive an annual review, they may alternatively elect to receive an email from the Company's share registry advising that the annual review has been posted to the Company's website or will be notified at the same time as the notice of annual general meeting is sent to shareholders.

The notice of annual general meeting for the Company is forwarded, together with a proxy form allowing shareholders unable to attend the annual general meeting to be able to vote (in the event of resolutions being put to a poll) on the matters contained in the notice of meeting. Shareholders may also elect to complete their proxy online via the website for the Company's share registry.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1:
Companies should establish policies for the oversight and management of material business risk and disclose a summary of those policies.

Recommendation 7.2:
The board should require management to design and implement the risk management and internal control systems to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

A copy of the consolidated entity's Risk Management Policy is available on the Company's website.

The policy identifies that:

- the Board is responsible for overseeing the establishment and implementation by the consolidated entity's management of risk management systems and reviewing the effectiveness of these systems;
- the Audit Committee of the Company has been delegated the responsibility for receiving submissions from the consolidated entity's management

regarding the management of business risks, including the formulation and review of the business risks policy and other risk management policies; and

- management of the consolidated entity is responsible for the design and implementation of risk management and internal control systems which provide a report to the Board on risk in accordance with the business risks policy through a formal organisation-wide risk management framework and other formal and informal risk specific frameworks and approaches.

Each of the consolidated entity's operational areas is required to identify the material risks which they consider may arise and to determine the probability of any such occurrence and its potential financial impact. Measures are then developed to control such risks in conjunction with other risk measures including where appropriate relevant insurance cover.

This policy is supported by specific formal and informal analytical techniques to identify and evaluate risk, and integration strategies to improve/optimize the consolidated entity's risk profile.

Risks and the effectiveness of their management are reviewed and reported regularly to the consolidated entity's senior executive, the Audit Committee and the Board through various mechanisms depending upon the nature of this risk.

In reviewing the risk management and internal control systems of the consolidated entity, the Executive Chairman and the Group Chief Financial Officer have also confirmed in writing that the consolidated entity's risk management and internal control systems are operating effectively in relation to material business risks for the period.

Recommendation 7.3:
The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has traditionally required the Executive Chairman and the Group Chief Financial Officer to provide a representation letter for consideration in conjunction with the review of the half yearly and the yearly financial reports.

These representation letters have provided a sign-off in relation to various issues associated with the keeping of financial records generally, the preparation of the financial statements and the disclosures made and a specific requirement that the financial statements present a true and fair view.

In accordance with the *Corporations Act*, the directors may now only give their declaration in relation to the annual financial statements if the chief executive officer and the chief financial officer have made the declarations required pursuant to section 295A of the *Corporations Act* and otherwise as contained in their representation letters.

The Board has received assurance from the Executive Chairman and the Group Chief Financial Officer that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal controls and that the systems are operating effectively in all material respects in relation to financial reporting risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The Board should establish a remuneration committee.

The Board has a Remuneration Committee, which is comprised of:

- Jack J Cowin (Chairman)
- Nick G Falloon
- Leonard J Asper
(resigned 1 October 2009)
- Paul V Gleeson

During the year this Committee met on three occasions, with all members being represented on each occasion.

The role of the Remuneration Committee is to:

- review the remuneration policy for the consolidated entity;

- approve the remuneration of the Executive Chairman and the executives reporting to the Executive Chairman;
- review the performance and financial incentives of the Executive Chairman on an annual basis. The Executive Chairman does not participate in such reviews;
- review proposals for incentive plans prior to submission to the Board of Directors for approval; and
- review human resources planning with particular emphasis on succession planning for senior group executive positions.

The Company considered that the individual directors made valuable and appropriate decisions for the purposes of the Remuneration Committee, despite there not being a majority of independent directors on the Committee during the year ended 31 August 2009.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure of the remuneration for each Director and each of the five highest paid executives is set out on pages 36 to 40 of the Annual Review.

Non-Executive Directors do not participate in any share or option plans offered by the Company.

Additionally, there are no retirement benefit plans available to non-Executive Directors of the Company. The consolidated entity does make contributions to approved superannuation funds on behalf of each eligible Australian resident non-Executive Director in accordance with the superannuation guarantee legislation.

As noted at 3.2 above, senior executives are not permitted, under the terms of the relevant employee share plan rules, to enter into transactions involving unvested share entitlements to the Company's shares.

WEBSITE

Further information in relation to the consolidated entity is available on our websites at www.tencorporate.com.au and also at www.eyecorp.com.