

24 August 2022

The following disclosures and compliance statements are provided in accordance with the NZX Corporate Governance Code (**NZX Code**) and the ASX Corporate Governance Principles and Recommendations (4th edition) (**ASX Recommendations**). This corporate governance statement is current as at 24 August 2022, and has been approved by the Board. All key governance policies and charters referred to below are available on our website <https://www.sky.co.nz/investor-centre/corporate-governance>.

NZX AND ASX CORPORATE GOVERNANCE BEST PRACTICE CODES

The NZX Code sets standards for effective corporate governance in New Zealand and Sky is committed to reporting against this code. The Board considers that Sky has complied with the NZX and ASX corporate governance best practice codes in all material respects during the 2022 financial year, except where otherwise indicated.

1. A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Directors should set high standards of ethical behaviours, model this behaviour, and hold management accountable for delivering these standards throughout the organisation.

STATEMENT OF VALUES

Sky's values were developed through a collaborative workshop process, led by Sky Culture Champions and endorsed by the Board. Collectively, the values "Be Yourself", "Create Something Amazing" and "Make Someone's Day" create a common understanding of the expectations Directors, executives and staff have of each other and themselves. They represent Sky's relentless focus on customers and instil accountability for consistent collaboration, respecting diverse perspectives, and encouraging a growth mindset. Sky's values were disclosed in the Company's 2021 Annual Report. Responsibility for instilling the values throughout the business is achieved through Values in Action workshops, and in 2022 the Sky Legends initiative was launched to identify and recognise crew member actions that exemplify 'living the values'.

CODE OF ETHICS

Sky has a Code of Ethics which provides a practical set of guiding principles for a code of ethical behaviours in respect of various matters including conflicts of interest, gifts and entertainment, corporate opportunities, confidentiality, insider trading and dealing with corporate assets, in addition to emphasising the requirement to comply with applicable laws and regulations. The Code of Ethics applies to Sky's directors, senior executives, employees and other persons, and is available on Sky's website. All potential breaches of the Code of Ethics are to be notified to Sky's Chief Financial Officer or Chief Executive Officer (or the Chair of the Sky Board of Directors if the Chief Financial Officer or Chief Executive Officer are potentially implicated).

WHISTLEBLOWING/ PROTECTED DISCLOSURE

Sky's Protected Disclosure Policy (or "Whistleblower Policy") provides a process for staff to report any serious wrongdoing and gives protection to the employee making the disclosure in accordance with the policy. The policy outlines types of behaviour that may be considered serious wrongdoing, when and how an employee can make a disclosure and how they are protected. A thorough review of the policy was undertaken in 2021 and again in 2022 to review and strengthen the framework to ensure Sky's practices continue to reflect best practice including the recent changes to the Protected Disclosures (Protection of Whistleblowers) Act in July 2022. The

Protected Disclosure Policy is posted on Sky's website. Any material incidents reported under the policy will be notified to Sky's People and Performance Committee and/or Sky's Board of Directors and this process has been formalised in Sky's Protected Disclosure Policy.

SECURITIES TRADING

Sky has a formal Securities Trading Policy, which is posted on Sky's website. Sky's Securities Trading Policy includes robust procedures to minimise the risk of insider trading. The policy outlines that directors, officers and employees of Sky may not buy or sell securities in Sky, nor may they tip others, while in the possession of material information which is not generally available to the market. Additional restrictions apply to key management personnel who are prohibited from trading during prohibited periods (other than in exceptional circumstances) and must at all times (including outside prohibited periods) obtain written consent to trade from the Chief Financial Officer, and Chair of the Board or the Chair of the Audit and Risk Committee (as applicable). Sky's Securities Trading Policy affirms the law relating to insider trading contained in the Financial Markets Conduct Act 2013 and the Australian Corporations Act 2001 (Cth) and complies with ASX Listing Rule 12.12 (*Content of Trading Policy*).

ANTI-BRIBERY AND CORRUPTION POLICY

Sky introduced an Anti-Bribery and Corruption Policy during the 2022 financial year to specifically set the minimum standards of conduct expected of Sky (including its directors, senior managers, employees, contractors and consultants or any other person who represents Sky or is engaged to carry out work for Sky and its subsidiaries) to ensure Sky complies with all relevant anti-bribery and corruption legislation in all jurisdictions in which it operates or has dealings. This policy is in line with ASX Recommendation 3.4 and builds on the existing strong framework established through Sky's Code of Ethics to reinforce Sky's standards, including appropriate controls around offering and accepting gifts or entertainment. Breaches of the Anti-Bribery Policy must be reported to the Chief Executive Officer, and the Board will be informed of any material incidents of bribery or corruption.

MODERN SLAVERY STATEMENT

Sky has filed its Modern Slavery Statement for the period 1 July 2020 to 30 June 2021 with the Australian Border Force (under the Modern Slavery Act 2018 (*Australia*)), with the next filing due for completion by 31 December 2022.

This year Sky strengthened its measures to reduce the risk of modern slavery practices across the group's operations and supply chain through proactively scanning for potential risks. In addition, Sky introduced a Supplier Code of Conduct, affirming Sky's commitment to ethical, responsible and sustainable business conduct. The next steps in this work will be to engage directly with key suppliers to ascertain their ability to assess and address their modern slavery risks and to then incorporate the learnings into Sky's Procurement Policy and working practices.

A review of Sky's contracting arrangements also resulted in Sky incorporating contractual clauses in supplier contracts that place obligations to manage and notify Sky of their modern slavery risks, thereby setting expectations and allowing a mechanism for identifying and addressing issues.

Sky is monitoring the progression of the New Zealand Government's Ministry of Business, Innovation and Employment work to develop modern slavery legislation for New Zealand.

2. BOARD COMPOSITION AND PERFORMANCE

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

BOARD OF DIRECTORS – COMPOSITION

Sky's Board is appointed or ratified by the shareholders of Sky by ordinary resolution. The NZX Listing Rules provide for a minimum of three directors, and Sky's constitution provides for a maximum of ten directors. As at 30 June 2022, the Board consisted of six directors whose relevant skills, experience and expertise are outlined in their biographies in Sky's annual report. The Board operates under a

written charter (**Board Charter**), which sets out the respective roles and responsibilities of the Board, the Chair and management, and (together with the delegated authorities policy) those matters expressly reserved to the Board and those delegated to management. A copy of the Board Charter is available on Sky's website.

NOMINATION AND APPOINTMENT

The Board gives consideration to the Board's skills, experience and diversity when evaluating potential board candidates. The objective is to have a mix of skills represented on the Board that are relevant to Sky's business and strategy.

During the financial year ending 30 June 2022, the Board appointed Mark Buckman to Sky's Board.

The Board may appoint directors to fill casual vacancies that occur or add persons to the Board up to the maximum number prescribed by Sky's constitution. At each annual meeting all directors appointed by the Board since the last annual meeting must retire and seek re-election, if eligible. Directors must also not hold office (without re-election) past the third annual meeting following the Director's appointment or 3 years, whichever is longer. Directors' fees have been set at a maximum amount of \$950,000 per annum since October 2015.

As at 30 June 2022 the Board is comprised of:

- Philip Bowman (Chair) – appointed 1 September 2019
- Keith Smith (Deputy Chair) – appointed 21 April 2020
- Geraldine McBride – appointed 13 September 2013
- Michael Darcey – appointed 19 September 2017
- Joan Withers – appointed 17 September 2019
- Mark Buckman – appointed 21 March 2022.

Before appointing directors to the Board, or putting candidates forward at annual meetings for re-election, the Board ensures that appropriate checks are carried out to ensure candidates have the necessary skills to act for Sky. Material information that is relevant to a decision on whether or not to elect or re-elect the director is provided to shareholders. Written agreements are in place with each Board member and senior executive setting out the terms of their appointment.

New Board members receive induction training so as to gain an understanding of Sky's business and operations including its financial, strategic and risk management position as well as a director's rights, duties and responsibilities, the role of the Board, the Board committees and the executive management team. It is expected that all directors will be required to stay informed of changes to, and emerging issues in, director duties and responsibilities. In addition, visits to specific company operations, when appropriate, and briefings from key executives and industry experts will be arranged. Sky will reimburse directors for reasonable costs incurred in attending appropriate conferences and training courses.

Sky ensures that a majority of its Board are independent directors. At 30 June 2022 all of the directors of Sky were considered to be independent directors, having regard to the factors in NZX Recommendation 2.4 and ASX Recommendation 2.3. The Chair of Sky's Board is Philip Bowman, an independent director.

In considering the factors in NZX Recommendation 2.4 and ASX Recommendation 2.3, the Board has had careful regard to whether Geraldine McBride's status as an independent director has changed by virtue of her interest and position in MyWave Limited (**MyWave**), which supplies services to Sky in support of Sky's fan experience platform. In particular, Geraldine McBride is the CEO and director of MyWave (and its holding company, MyWave Holdings Limited), and currently holds shares in MyWave Holdings Limited.

The Board has considered this relationship and concluded that, notwithstanding this, it is not sufficiently material so as to interfere with Geraldine McBride's capacity to bring independent judgement to bear on issues before the Board (which will exclude matters related to MyWave) and to act in the best interest of Sky and to represent the interests of its shareholders generally rather than the interests of an individual securityholder or other party. Therefore, for the purposes of the NZX Listing Rules and ASX Listing Rules, the Board has determined that Geraldine McBride is an independent director. Further information on the Board's assessment of Geraldine McBride's independence is set out in the Corporate Governance section of Sky's annual report.

ROLE OF THE BOARD

The Board oversees Sky's business and is responsible for its corporate governance. The Board sets corporate policies and the strategic direction of Sky and oversees management with the objective of enhancing the interests of shareholders. Management is responsible for the implementation of the corporate policies set by the Board, as well as the day-to-day running of Sky's business including risk management and controls and liaising with the Board about these matters.

Various information reports are sent to the Board in order to keep them informed about Sky’s business including reports during the year ended 30 June 2022 on the effectiveness of the management of material legal and business risks. Directors also receive operating and financial reports, and access to senior management at Board and committee meetings.

The Board operates two permanent Board committees, namely the Audit and Risk Committee and the People and Performance Committee (formerly the Nomination and Remuneration Committee). The members of the Audit and Risk Committee as at 30 June 2022 are Keith Smith (ARC Chair, Board Deputy Chair), Philip Bowman (Board Chair) and Joan Withers. The members of the People and Performance Committee are Geraldine McBride (PPC Chair), Joan Withers and Michael Darcey.

The Board also established a number of ad-hoc committees during the 2022 financial year to assist the Board in fulfilling its responsibilities in relation to specific matters.

DELEGATIONS

To enable the effective functioning of the day-to-day business of Sky, the Board has delegated certain of its powers to Sky’s Chief Executive and senior management. Those powers are set out in Sky’s delegated authorities policy (with treasury management delegations set out in the Treasury Policy) and relate to how Sky employees are able to authorise any transaction with a financial implication, or to perform other functions relating to human resource matters or finance and legal matters. Specifically, Board approval is required for:

- any action or transaction that exceeds the limits delegated to the Chief Executive; and
- appointing or removing authorised signatories to bank accounts, entering into overdraft facilities or similar credit arrangements, or entering into loans, mortgages, debentures or other financial instruments.

There is no delegation to any person to raise capital or to specifically borrow money by any means whatsoever. Such transactions may only be performed with Board approval. The Board is responsible for monitoring those delegations and approving all changes to the delegated authorities policy and the Treasury Policy from time to time (the Board may amend or withdraw delegations at its sole discretion at any time). All delegated authorities are exercised on the Board’s behalf in accordance with relevant company policies and procedures.

MEETINGS

The Board has regularly scheduled meetings and also meets when a matter of particular significance arises. During the year between 1 July 2021 and 30 June 2022, there were 15 Board meetings. Attendance was as follows:

	Board meetings held while a director	Attendance at Board meetings
Philip Bowman	15	15
Geraldine McBride	15	14
Michael Darcey	15	14
Joan Withers	15	15
Keith Smith	15	14
Mark Buckman ¹	6	6

(1) Mark Buckman was appointed to the board on 21 March 2022.

DIRECTORS SKILLS AND EXPERIENCE

The aim of the Board is to have a mix of skills represented on the Board that are relevant to Sky’s business. The skills matrix for the directors is set out below:

● Primary skills ◐ Secondary skills

SKILLS ATTRIBUTE	Philip Bowman	Geraldine McBride	Mike Darcey	Joan Withers	Keith Smith	Mark Buckman
Public company governance	●	●	◐	●	●	◐
Entrepreneur	◐	●				◐
International / Overseas experience	●	●	●	◐	◐	●
Technology	●	●	●	◐		●
Finance/Accounting/Banking/Commercial	●	●	◐	◐	●	◐
Consumer experience	●	●	◐	●	●	●
New media	◐	●	●	●		●
Television Industry	●	●	●	●	◐	●
CEO / Former CEO or equivalent	●	●	●	●		●

BOARD PERFORMANCE

Board performance, including the performance of Board committees and individual directors, is reviewed and evaluated periodically and as the need arises in accordance with the process set out in the Board Charter. A formal evaluation was undertaken in conjunction with specialist consulting company Propero during the financial period to 30 June 2021 and a subsequent internal evaluation exercise was completed in August 2022. Further information about Sky’s Board of Directors is contained in Sky’s annual report.

EXECUTIVE PERFORMANCE

Executive performance is reviewed and evaluated on a continual basis by the Board and Chief Executive, and periodically as the need arises, in accordance with the People and Performance Committee (formerly the Nomination and Remuneration Committee) Charter and the Remuneration Policy, principally as part of annual salary reviews and through participation in Sky’s short-term incentive (**STI**) scheme. The components of Sky’s STI scheme consider in the first instance a participation gateway regarding Health & Safety performance. Assessment criteria include financial performance, employee engagement and customer satisfaction. A formal evaluation of senior executive performance for the 2022 financial year is being undertaken following the completion of that period.

COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is James Bishop.

INDEPENDENT ADVICE

Sky has a procedure for Board members to seek independent legal advice at Sky’s expense (as further set out in the Board Charter).

DIVERSITY

Sky recognises diversity and inclusion as a strategic asset for Sky’s current and future success. Sky values diversity of gender, age, ethnic and cultural background, sexuality, experience and beliefs. Sky’s Board and management believe that an organisation that reflects the diversity of its current and future customers will be able to deliver more personalised customer experiences, and customer value, to continue to grow successfully, and to attract and retain the best talent.

Sky's Diversity Policy reflects Sky's continuing commitment to diversity and inclusion. This policy requires the commitment of the Board to set measurable objectives for achieving diversity in areas requiring improvement and to assess annually both the objectives and Sky's progress in achieving them. Sky proactively considers diversity in all recruitment activities, with a particular focus on leadership roles with a review of the policy in 2022 reflecting this commitment. Sky is also committed to growing the capability of all Sky staff to leverage diversity to deliver a better employee experience, a better customer experience and improved business performance.

The Board acknowledges the importance of diversity both on boards and within companies, and as noted in Sky's Board Charter, this is one of the characteristics that is considered when evaluating new director candidates. As at 30 June 2022, Sky's Board had two female directors and four male directors (compared to two female directors and three male directors as at 30 June 2021).

Sky's officers (being a person who is concerned or takes part in the management of Sky and reports to the Board, or to a person who reports to the Board) includes two female officer and five male officers.¹

(1) The "officers" include the CEO and the members of Sky's executive leadership team who report directly to the CEO.

Sky takes a holistic approach to diversity. Sky's measurable objectives for achieving diversity are that:

- during the year ending 30 June 2022, Sky measured and reported on employee feedback regarding diversity and belonging and delivered organisational development actions in response to this feedback in each quarter. This will continue on a biannual basis from the year commencing 1 July 2022;
- each year, the Board actively considers the composition of the Board and any opportunities for new directors to join the Board with diversity (including gender diversity) being one of the key criteria when considering new appointments;
- each year the Board compares the number of female and male employees at Sky to the previous financial year's figures to ensure that Sky is maintaining a strong level of female participation at all levels of the organisation; and
- each year the Board considers the extent of age diversification at Sky by comparing the number of employees aged over and under 45 years to the previous financial year's figures, in order to ensure Sky is benefiting from a mix of experience and new ways of thinking.

For the year ended 30 June 2022, the Board is satisfied that Sky achieved its diversity objectives as follows:

- Sky maintained consistent levels of gender and age diversification amongst employees across the organisation (increasing female representation from 44% to 47%);
- with respect to diversity and inclusion measures, Sky's performance remained relatively high in comparison to the general New Zealand market, however also in line with general market trends the results were down slightly year on year, reflecting Covid related challenges to employee engagement:
 - the number of staff who favourably rated "I feel I belong at Sky" moved from 68% to 63%; and
 - the number of staff who favourably rated "Sky values diversity" moved from 77% to 71%.

Sky has further reinforced its commitment to the principles of diversity and inclusion through its involvement with the Champions for Change programme with Sky's Chief Executive serving on the Board of Global Women.

The chart below represents Sky's gender and age diversification as at 30 June 2022:

Board Level	Officers ¹	All staff
No of Women: 2	No of Women: 2	No of Women: 423
Total number: 6	Total Number: 7 ²	Total Number: 898
<hr/>		
2021	2021	2021
No of Women: 2	No of Women: 1	No of Women: 399
Total number: 5	Total number: 4	Total Number: 900
<hr/>		
Over 45 – 100%	Over 45 – 86%	Over 45 – 35%
(2021 – 100%)	(2021 – 75%)	(2021 – 33%)

(1) For the purpose of Recommendation 1.5(c)(3) of the ASX Corporate Governance Principles and Recommendations (4th edition), "senior executives" has the same meaning as the "officers" referred to in the chart above as defined under the NZX Listing Rules.

- (2) A restructure of the executive team in November 2021 saw the total number of executive officers' change from 5 to 7. At the end of FY21, one of the executive officer positions was vacant and one under recruitment with a seconded partner from Deloitte filling that position.

The table below provides a detailed breakdown of the age diversification of Sky's workforce:

Age	2022	2021
<30	20%	18%
30 – 40	32%	32%
40 - 50	28%	29%
50 - 60	15%	16%
60 - 70	4.5%	4%
>70	0.5%	1%

3. BOARD COMMITTEES

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

The Board has established the following committees to act for, and/or make recommendations to, the full Board on certain matters as described below.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is responsible for overseeing the financial and accounting activities of Sky including accounting and reporting, external and internal auditors, tax planning and compliance, treasury and general risk management. The committee operates under a formal Audit and Risk Committee Charter which is available on Sky's website.

The Charter also contains the External Audit Independence Group Policy, the object of which is to ensure that audit independence is maintained, such that Sky's external financial reporting is viewed as being highly reliable and credible.

As at 30 June 2022, the members of the Committee, who are independent non-executive directors, are Keith Smith (Chair, Board Deputy Chair), Philip Bowman (Board Chair), and Joan Withers. Committee members' qualifications are detailed in Sky's annual report.

All directors who are not members of the Audit and Risk Committee may attend Audit and Risk Committee meetings without invitation. A standing invitation exists for the Chief Executive Officer and the Chief Financial Officer to attend Audit and Risk Committee meetings.

PEOPLE AND PERFORMANCE COMMITTEE

The People and Performance Committee is responsible for providing recommendations regarding the appointment, compensation levels and evaluation of Sky's Chief Executive and senior executives, and overseeing Sky's general human resources policies, including remuneration. The current members, who are independent non-executive directors, are Geraldine McBride (Chair), Joan Withers and Michael Darcey. The Committee's Charter is available on Sky's website. Sky management may only attend Committee meetings on invitation.

AD-HOC COMMITTEES

The Board established a number of ad-hoc committees during the 2022 financial year to assist the Board in fulfilling its responsibilities in relation specific matters. Each such committee was established by Board resolution (clearly prescribing the membership of the committee and the role of the committee) and required to regularly report back to the Board on proceedings. The Board retained ultimate responsibility for the relevant matters.

BOARD MEMBERSHIP

Sky's Board is responsible for ensuring the balance of skills, knowledge, experience, independence and diversity of Directors remains relevant to Sky's business and strategy and enables the Board to discharge its duties and responsibilities effectively. The Board gives consideration to these factors when assessing board succession and in evaluating potential board candidates. The Board does not have a formal nomination committee constituted by a Board committee charter. The Board or a nominations sub-committee of the Board (which is distinct from the People and Performance Committee) evaluates potential Board candidates to be considered for appointment. To be eligible for appointment as directors, candidates must demonstrate appropriate qualities and experience. Directors will be selected based on all of the above factors including the needs of the Board at the time.

COMMITTEE MEETINGS

During the year ended 30 June 2022:

- (a) the Audit and Risk Committee met 4 times and attendances were as reflected in the table below;
- (b) the People and Performance Committee met 6 times and attendances were as reflected in the table below:

	Committee meetings held while a Committee member	Attendance at Committee meetings
Audit and Risk Committee		
Keith Smith (Chair)	4	4
Joan Withers	4	4
Philip Bowman	4	4
People and Performance Committee		
Geraldine McBride (Chair)	6	6
Joan Withers	6	6
Michael Darcey ¹	5	5

(1) Michael Darcey was appointed to the People and Performance Committee during the period (28 September 2021).

TAKEOVER PROTOCOL

The Sky Board has approved a Takeover Protocol that outlines the procedures when dealing with takeover offers. This is available on Sky's website.

4. REPORTING AND DISCLOSURE

The Board should demand integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures.

Sky endeavours to provide investors and stakeholders with financial and non-financial reporting that is clear, meaningful, timely and balanced. All key governance documents and policies, as well as all stock exchange announcements, interim and annual reports and investor presentations are available online at <https://www.sky.co.nz/investor-centre>.

FINANCIAL REPORTING

The Audit and Risk Committee oversees the preparation of Sky's financial statements, including materiality guidance and setting policy to ensure the information presented is useful for investors and other stakeholders.

Sky endeavours to prepare financial statements that are easy to read by using clear, precise language and by structuring the report so that it is logically presented, and that policies and related notes are combined in a format that is consistent and logical.

DIRECTORS, CHAIR AND BOARD COMMITTEES' CONFIRMATION OF FINANCIAL STATEMENTS

Each year Sky's Chief Executive and Chief Financial Officer confirm in a written statement to the Board that the financial statements are true and correct, are prepared in accordance with applicable accounting standards and present fairly Sky's financial position. Although the wording of that statement is not exactly the same as the wording set out in section 295A of the Australian Corporations Act 2001, in substance the statement meets the requirements of ASX Recommendation 4.2.

CONTINUOUS DISCLOSURE

Sky is committed to keeping the markets, shareholders and investors informed of material information relating to its business, financial performance and strategy in order that trading in securities takes place in an efficient well-informed market at all times.

When Sky provides a substantive investor or analyst presentation, such as those prepared for investor results briefings, conferences or investor day events, a copy of the material to be presented is released to the NZX and ASX ahead of the presentation.

Sky has a Continuous Disclosure Policy that is available on Sky's website. The policy sets out the responsibilities of Sky in relation to its continuous disclosure obligations under the NZX and ASX Listing Rules and the Financial Markets Conduct Act 2013. The policy establishes the procedures required to fulfil Sky's obligations and details the process to appropriately identify and determine any material information that may require disclosure.

In most circumstances, material market announcements are approved by the full Board prior to their release. Copies of all material market announcements are promptly circulated to the Board after they have been made.

5. REMUNERATION

The remuneration of directors and executives should be transparent, fair and reasonable.

Details regarding the remuneration of non-executive directors' and the Chief Executive is reported under "Remuneration of Directors" and "Chief Executive Remuneration" in the Corporate Governance section of Sky's annual report. For non-executive directors this includes a breakdown of Board and committee fees and the actual amounts paid. For the Chief Executive, it includes details of both fixed remuneration and variable performance-based remuneration. As noted above, the performance of key executives is monitored on a continual basis by the Board and Chief Executive, principally as part of annual salary reviews and through participation in Sky's STI scheme.

The People and Performance Committee Charter formalises practices for setting remuneration for the Chief Executive, the executive team and all employees.

Remuneration bands in respect of other employees of Sky and its subsidiaries are set out under "Employee Remuneration" in the Corporate Governance section of Sky's annual report.

Sky published its Remuneration Policy as approved by the Board in June 2022 and this is available on the Company website in line with NZX/ASX recommendations. The policy is written to provide an overarching framework to inform remuneration at Sky, outlining the principles considered for Director and Executive remuneration to remain competitive in market to attract and retain talent in addition to ensuring a fair process designed to encourage a unique and diverse workforce.

Sky's Securities Trading Policy contains prohibitions on transactions (by way of derivatives or similar financial products) which operate to limit the economic risk relating to securities granted under an employee, executive or director incentive plan or as part of an employee's remuneration. As noted above, the Securities Trading Policy is posted on Sky's website.

6. RISK MANAGEMENT

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and relevant risks.

Sky's risk management framework is overseen and monitored by both the Board and the Audit and Risk Committee. The Audit and Risk Committee in conjunction with management regularly report to the Board on the effectiveness of the management of Sky's risks and whether the risk management framework and systems of internal compliance and control are operating efficiently and effectively in all material respects.

Sky has a Controlling and Managing Risk Policy which provides an overview of Sky's risk management process. The Policy outlines Sky's risk management objectives and guidelines and provides a framework to identify, manage and report on risks both financial and non-financial. The Audit and Risk Committee reviews Sky's risk management framework with management at least annually to satisfy itself that it continues to be sound and to ensure that Sky is operating with due regard to the risk appetite set by the Board. The Audit and Risk Committee reviewed Sky's risk management framework during the reporting period to 30 June 2022. Sky recognises that having a robust and well-documented enterprise-wide risk management framework is critical to support the management of risks across Sky. In keeping with its focus on managing both near and long-term risk, in the 2023 financial year the Audit and Risk Committee is overseeing an extensive management review of Sky's risk management framework across the business to identify and implement improvements to best support Sky's current and future business and operating environment.

Sky's internal audit function is outsourced to EY. An annual internal audit plan is presented and approved by the Audit and Risk Committee and the Audit and Risk Committee receives internal audit reports during the year and monitors completion of action items that arise. Sky's internal audit function assists it to better accomplish its objectives by bringing a systemic, disciplined approach to evaluating and continually improving the effectiveness of Sky's risk management and internal control processes.

MATERIAL EXPOSURE TO ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

Sky identifies and assesses material exposure to economic, environmental and social sustainability risks on an annual basis as part of the overall framework of assessing risk. The key economic, environmental and social sustainability risks it faces, and how Sky intends to manage those risks is included in the Controlling and Managing Risk Policy on Sky's website (at <https://www.sky.co.nz/investor-centre/corporate-governance>).

Sky intends to specifically review and report on exposure to climate related risk, and potential opportunities, in line with legislative requirements currently under development and likely to reflect the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) requirements. While Sky's emissions profile is not considered to be material, the company has measurement systems in place that will be further refined and audited in the 2023 financial year with a view to initiating reporting. In this regard, Sky has engaged Toitū to assist and will be participating under Toitū's Carbon Reduce programme.

Principal risks that could affect results and performance include:

- regulatory environment;
- competition;
- programming rights;
- content protection;
- business disruption;
- investment strategy – adoption of new technology;
- financial risks;
- reputational risks and brand perception;
- ability to attract and retain key talent;
- business transformation; and
- customer value proposition.

HEALTH AND SAFETY

Sky has Health and Safety Policies and a Procedures Manual and a comprehensive Health & Safety Strategic plan that includes regular reports to the Board to ensure that Sky fully complies with its health and safety obligations. Sky's strategic approach to health and safety is to:

- safeguard the wellbeing of our people by providing a safe and inclusive workplace environment;
- fulfil all safety obligations within the business, in line with the strategic intent, corporate objectives and legislative requirements; and
- share a vision and commitment to a safety culture that drives continual improvement and organisational resilience at all levels within Sky.

7. AUDITORS

The Board should ensure the quality and independence of the external audit process.

EXTERNAL AUDIT

The role of the external auditor is critical for the integrity of Sky's financial reporting. PricewaterhouseCoopers (PwC) is Sky's external auditor. The Audit and Risk Committee is responsible for reviewing and recommending to the Board the engagement of the external auditors, for reviewing any regulatory requirements, for agreeing the scope of the audit, ensuring no management restrictions are placed on the auditors and for evaluating the performance of the external auditors. Sky's Audit and Risk Committee Charter (available on Sky's website), contains the policy for External Audit Independence which sets out the framework for ensuring that independence of the external auditor is maintained.

A copy of the most recent audit report, relating to the 2022 financial year is included in the annual report available online.

Sky undertakes an internal process of verification for periodic materials released to the NZX and ASX where these have not been audited or reviewed by the external auditor, to ensure the accuracy and integrity of the material prior to release. Where considered appropriate Sky requests an external review from a suitably qualified advisor to provide an additional level of independent review.

INTERNAL AUDIT

Sky currently outsources to Ernst and Young (EY) its internal audit function which is tasked with monitoring Sky's internal control systems and risk management. Internal audit operates with and independently of management and reports directly to the Audit and Risk Committee.

The Audit and Risk Committee reviews the internal audit plan annually as well as the internal audit reports. The internal audit reports are made available to the external auditors.

8. SHAREHOLDER RELATIONS

The Board should respect the rights of the shareholders and foster relationships with shareholders that encourage them to engage with the issuer.

INVESTOR COMMUNICATION

Sky is committed to facilitating effective two-way communication with its shareholders and other stakeholders. Sky's approach to investor relations is designed to keep both Sky's shareholders and the broader market properly informed. Sky's Investor Communications Policy outlines the steps that it will take to enable shareholders to engage with Sky in an informed manner and to allow them to make informed assessments of Sky's value and future prospects and vote on major decisions where appropriate. A copy of this policy is available on Sky's website.

In addition to information provided to the market via the NZX and ASX, Sky uses the following methods to communicate with its investors:

SKY WEBSITE – INVESTOR RELATIONS

Sky's website (<https://www.sky.co.nz/investor-centre>) includes copies of documents that have been released to the market to enable investors and stakeholders' access to all information about Sky and its governance in one place. This includes copies of annual reports, presentations, market announcements, media releases and corporate governance documents. In addition, information may be requested directly from Sky by emailing investorrelations@sky.co.nz to which Sky is committed to responding to in a timely manner.

ELECTRONIC COMMUNICATIONS

Sky is committed to improving the efficiency, timeliness, and sustainability of communications with its shareholders by encouraging them to receive communications material electronically via Sky's share registry, Computershare Investor Services Limited.

ANNUAL SHAREHOLDER MEETING

Shareholders are encouraged to attend Sky's Annual Shareholder Meeting, whether this is held in person, virtually or as a hybrid meeting. Details of the Annual Shareholder Meeting and the ways that shareholders can participate are available in the Notice of Meeting which is dispatched to shareholders and made available on Sky's website. Sky ensures that shareholder meetings are held at a reasonable time and place and ensures that all resolutions at a shareholders' meeting are decided by a poll.

Notices of shareholder meetings include explanatory information regarding the resolutions to be considered by Sky's shareholder meetings. These are provided in sufficient time to enable shareholders to form a reasoned judgement on the matters to be voted upon. Sky's external auditors, legal representatives and share registrar attend the Annual Shareholder Meeting. Directors, management and external auditors are available to answer any questions from shareholders at the Annual Shareholder Meeting. Details of how shareholders unable to attend the Annual Shareholder Meeting can submit questions in advance are included in the Notice of Meeting.

SKY EXECUTIVES

Sky's Executive Leadership team members are listed on the back page of Sky's 2022 annual report and are available to answer questions from shareholders at Sky's Annual Shareholder Meeting.