

JB Hi-Fi Limited - Board Composition & Succession Policy

1. Introduction

This document sets out JB Hi-Fi Limited's policy regarding the composition of, and succession planning for, its Board.

2. Board Responsibilities

- 2.1 The Board is responsible for the composition of the Board including:
- ensuring that it has the necessary and desirable skills, knowledge, experience, independence and diversity; and
 - the recruitment of new directors, Board succession plans, succession plans for the Chair and recommendations for the re-election of current directors.

3. Duties and Procedure

- 3.1 The Board will adopt and maintain a form of skills matrix setting out the mix of skills, knowledge, experience and diversity that the Board currently has, or is looking to achieve, in its membership;
- 3.2 In accordance with the Company's Constitution and the ASX Listing Rules, at the Company's Annual General Meeting:
- (a) all Directors appointed by the Board since the last Annual General Meeting (other than the CEO) must retire and may offer themselves for election by shareholders;
 - (b) one third of the Directors (or the number nearest 1/3) excluding the CEO, being those who have been longest in office since their last election, and any other Director who has held office for three years or more since being elected, must retire and may offer themselves for re-election. The CEO is exempt from this requirement;
- 3.3 The Board will select and appoint new Directors as set out below; and
- 3.4 The Board will implement a process for the evaluation of the performance of the Board, the Board Committees and the Directors.

4. Process

- 4.1 Amongst other things, the Board takes into account the following factors when considering a potential candidate for the Board:
- (a) the skills, knowledge, experience and diversity required on the Board and the extent to which the candidate's skills, knowledge, experience and diversity will complement those held by the current Directors;
 - (b) the opportunity to obtain the services of particular persons with desirable skills, knowledge, experience and/or diversity at the time of his or her availability;
 - (c) the extent to which the candidate is likely to contribute to the overall effectiveness of the Board and work constructively with the existing Directors
 - (d) the personal qualities and integrity of the candidate and a commitment by the candidate to high standards of governance;
 - (e) the capability of the candidate to devote the necessary time and commitment to the role; and
 - (f) independence and potential conflicts of interest.

- 4.2 The Board will consider and adopt the most appropriate search process for identifying and evaluating likely additional Directors, which may include using external search organisations where appropriate.
- 4.3 An offer of a Board appointment will be made in writing by the Chairperson only after having consulted with all other Directors. The Board will approve any new appointment.

5. Adoption of this Policy

- 5.1 This Policy has effect from 21 May 2014.