

JB Hi-Fi Limited – Board Charter

1. Introduction

- 1.1 The Charter provides a summary of the role and responsibilities of the Board of Directors in the business and affairs of JB Hi-Fi Limited (the **Company**) and its controlled entities (collectively, the **Group**). It should be read in conjunction with JB Hi-Fi's Corporate Governance Documents which provide a detailed framework for the governance of the Group.
- 1.2 The Board is constituted and empowered pursuant to the Constitution of the Company and the Corporations Act 2001.

2. Role and responsibilities

- 2.1 The Board oversees the business and affairs of the Group and is ultimately responsible for demonstrating leadership of the Group and the overall operation and stewardship of the Group.
- 2.2 Subject to the Board's ultimate responsibility for oversight and the matters specifically reserved to the Board under Section 2.4, the Board may delegate authority to perform any of its functions and exercise any of its powers to its Committees, a Director or any other person.
- 2.3 The Board does not manage the day-to-day operations of the Group. This is delegated to management through the Group Chief Executive Officer. However, the Board may provide advice and counsel to, and review the actions of, the Group Chief Executive Officer and may otherwise direct the management of the Group's businesses as the Board believes appropriate. The senior executive team is responsible for providing the Board with accurate, timely and clear information on the Group's operations to enable the Board to perform its responsibilities.
- 2.4 In addition to matters expressly required by law to be approved by the Board, the following matters are reserved to the Board, subject to the limitations set out in the Company's constitution and the Corporations Act 2001 (Cth):
 - (a) defining the entity's purpose;
 - (b) approving the Group's statement of values and Code of Conduct so as to underpin the desired culture within the Group;
 - (c) appointment and removal of the Chief Executive Officer;
 - (d) approval of the Group's annual budget and major capital expenditure;
 - (e) approval of the Group's financial statements for half year and full year financial periods and, in particular, the release of the Company's full year and half year financial results and associated market announcements and disclosures;
 - (f) approval of the Company's Annual Report;
 - (g) approval of specific market announcements containing material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
 - (h) approval of dividends, the Company's dividend policy and other capital management initiatives including the issue, allotment, buy-back or forfeiture of shares, options or other securities in the Company;

- (i) ensuring that the Group has in place an appropriate risk management framework (for both financial and non-financial risks), which the Board must approve at least annually, and setting the risk appetite within which management is expected to operate;
- (j) appointment of Directors to fill vacancies or as additional Directors and ensuring that an appropriate balance of skills, knowledge, experience, independence, diversity and expertise is maintained on the Board;
- (k) remuneration of Directors;
- (l) appointment of Chairman;
- (m) appointment of Directors to the Company's subsidiary company boards;
- (n) appointment and removal of the Company Secretary;
- (o) establishment of Board Committees, their membership and terms of reference;
- (p) calling of Shareholders' meetings;
- (q) delegation of the Board's powers; and
- (r) any other specific matters nominated by the Board from time to time.

The Board reserves the right to review and amend the list above from time to time as is considered necessary

2.5 In addition, without limiting its role, the responsibilities of the Board also include:

- (a) setting, in consultation with management, the strategic and financial objectives of the Group and overseeing management's implementation of the Group's strategic and financial objectives;
- (b) monitoring the performance of management generally, both directly and through its Committees, including oversight of management in its implementation of the Group's strategic objectives, instilling of the Group's values and the performance of the Group generally;
- (c) approving the appointment and replacement of senior executives, other than the CEO;
- (d) wherever required, challenging management, and holding it to account;
- (e) reviewing and, where appropriate, approving major corporate plans and actions (such as significant acquisitions and disposals);
- (f) approving capital expenditure in excess of limits delegated to management;
- (g) approval of major financing facilities;
- (h) reviewing the Group's policies on risk oversight and management and satisfying itself that a sound system of risk management and internal control has been implemented to manage the material risks affecting the Group's businesses, including compliance with all applicable laws;
- (i) overseeing the reliability and integrity of the Group's accounting, financial reporting and financial management and disclosure practices and systems including the external audit and receiving appropriate declarations from the CEO and CFO;
- (j) approving the adoption of the Group's corporate major

governance policies and monitoring the effectiveness of the Group's governance practices;

- (k) overseeing the Group's process for making timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (l) assessment of Board's, Board Committees' and Chief Executive Officer's performance;
- (m) overseeing the Group's OH&S practices;
- (n) evaluating the performance of and, determining the remuneration of the Group Chief Executive Officer;
- (o) approving the appointment of, the remuneration of, and (when necessary) the replacement of, other senior Group Executives, and ensuring that there are plans in place to manage the succession of other senior Group Executives;
- (p) approving the Group's remuneration framework, including any employee share plans and the grant of any incentives under such plans and satisfying itself that the Group's remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite;
- (q) establishing a formal and transparent procedure for the selection and appointment of new Directors to the Board;
- (r) ensuring that appropriate induction programs and continuing professional development opportunities for Directors are in place;
- (s) ensuring that internal procedures are in place for evaluating the performance of:
 - (i) the Board;
 - (ii) individual Directors; and
 - (iii) the Board Committees;
- (t) regularly reviewing the division of functions between the Board and Management to ensure that it continues to be appropriate to the needs of the Group;
- (u) ensuring that appropriate procedures are in place so that the business of the Group is conducted in an honest, open and ethical manner; and
- (v) performing such other functions as are prescribed by law or assigned to the Board.

2.6 The Board of Directors also has power to make recommendations to Shareholders.

3. Chairman

3.1 The Chairman is responsible for:

- (a) providing leadership of the Board;
- (b) facilitating the effective contribution of all Directors;
- (c) approving agendas for Board meetings and ensuring that adequate time is available for discussion of all agenda items at Board meetings; and
- (d) promoting constructive and respectful relations among Directors and between

the Board and senior management of the Company.

- 3.2 The Chairman is the official spokesperson for the Board, unless the Board determines otherwise.

4. Company Secretary

- 4.1 The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
- 4.2 The Company Secretary is responsible for:
- (a) advising the Board and its Committees on governance matters;
 - (b) monitoring that Board Committee and policy procedures are followed;
 - (c) coordinating the timely completion and dispatch of Board and Committee papers;
 - (d) reflecting the business at Board and Committee meetings in the minutes of those meetings (subject to the approval of such minutes by the Directors/Committee Members); and
 - (e) organising and facilitating the induction of new Directors.

5. Other Matters

- 5.1 The Board may meet without management being present at such times as it believes appropriate.
- 5.2 Directors are entitled to obtain independent professional advice, at the Company's cost, whenever they reasonably judge such advice to be necessary for them to discharge their responsibilities as Directors.
- 5.3 Before obtaining independent professional advice, Directors should advise the Chairman of the fees payable for such advice and the reasons why they believe such advice to be necessary for them to discharge their responsibilities as Directors.

6. Adoption of this Charter

- 6.1 This Charter has effect from 23 April 2020 and replaces any previous Charter with effect from that date.