



Appendix 4E Release to ASX under rule 4.3A

Full Year Information for Sky Network Television Limited for the year ended 30 June 2022

*To be read in conjunction with Sky Network Television Limited financial statements for the year
ended 30 June 2022*

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25 August 2022

Sky Delivers Strong Result and Announces Capital Return and Confident Commencement of Dividends

Sky Network Television Limited (Sky) has delivered a strong result for the 2022 financial year, driven by a return to growth in core revenue, cost control and a clear focus on execution of strategy.

Sky has also provided an update on its capital management strategy, with Chair Philip Bowman saying: “Sky is in a solid cash position resulting from strong and sustainable cash generation and the sale of the Mt Wellington properties. In addition, we have an improved earnings outlook, and access to an undrawn banking facility of \$150 million.”

“Against this backdrop the Board has established a capital allocation framework that provides the opportunity to return capital of approximately \$70 million to shareholders and deliver a sustainable dividend whilst also reinvesting in the business to support future growth and value creation.”

Key points of today’s announcement:

- Customer relationships grow to 990,761 (+4%)
- Revenue growth of \$24.9 million to \$736.1 million (+4%), fuelled by increase in core subscription revenue and growth in average revenue per user (ARPU) for both Sky Box and Streaming
- The strong cost focus delivers \$35 million of permanent and one-off operating cost savings in line with Sky’s December guidance update
- EBITDA of \$169.0 million (\$153.7 million adjusted for one-offs including \$14.0 million gain on property sale)
- Reported NPAT of \$62.2 million (+41%) / Adjusted NPAT¹ of \$49.2 million (+12%), above the guidance range
- Confident return to paying dividends with a fully imputed final dividend of 7.3 cents per share (60% of Free Cash Flow²).

¹ Adjusted NPAT has been provided as this gives a useful comparison for evaluating the underlying performance of the business as it adjusts for one-off items, including the gain on sale of the property. A reconciliation to GAAP is available in the Financial Overview of Sky’s 2022 Annual Report.

² Free Cash Flow is defined as net cash from operating activities, less net cash used in investing activities, less payments for lease liability principal, and excludes proceeds from sale of Mt Wellington properties. 60% ratio is based on smoothed cash flow across the year.

Commenting on the results, Chief Executive Sophie Moloney said: “This strong result delivers on the promise that Sky has reached a positive inflection point, with the trends we reported in the first six months now firmly established.”

“Our focus on what matters most – our Customers, Content, Crew and Capability – is achieving results, and, encouragingly, means we outperformed against a number of our FY22 targets as the team continued to deliver for our customers, partners and investors.

Customers

Sky’s customer relationships grew by 4%, led by strong gains in Streaming, including 14% growth in Neon and an impressive 53% growth in Sky Sport Now (cementing its position as the #1 streaming sports app for regular and casual sports fans). While Sky Box customer numbers are down 4.5%, Sky’s more deliberate acquisition strategy (designed to reduce early tenure churn and no longer involving deep discounts) is starting to pay off and is expected to deliver valuable improvements in churn and Sky Box revenue. Sky Broadband customers were close to 18,000 after the first full year in market, achieving the targeted attachment rate to Sky Box of 3.3%.

Sophie Moloney commented: “The launch of the new hybrid Sky Box is a transformational moment for Sky, delivering unmatched choice and ease for our customers. Feedback from customers involved throughout the development process has been overwhelmingly positive, and we can’t wait to share it with more New Zealanders. At the same time, our crew have been busy developing options to meet the particular needs of our customers on the soon-to-close Vodafone TV service, and we look forward to welcoming these customers to a total Sky experience.”

Content

“Sky’s unmatched line-up of sport and entertainment content plays a significant role in attracting new customers and keeping them engaged. We are delighted to have won and renewed a number of key content rights during FY22. These include important wins like the Premier League which returned to Sky’s screens earlier this month and is already making a positive impact on customer engagement, as well as securing great content from ViacomCBS (now Paramount) and WarnerMedia as part of our extensive entertainment offering.”

“While our programming costs line is significant, content is at the core of our business. As the ultimate aggregator of the biggest bundle of content in the New Zealand market, it’s the power of our platform (across Sky Box, streaming, Sky Business and free-to-air) that enables us to maximise the value of this investment, and at the same time deliver value for our customers and rewarding relationships for our partners.”

Financial

Revenue growth of 4% to \$736.1 million was driven by strong growth in Streaming of 27%, continued improvement in Sky Box revenue decline from 8.6% in FY21 to 3.4% in FY22, an initial contribution from Sky Broadband, and continued recovery in Commercial and Advertising revenues.

“It is very pleasing to demonstrate that the return to revenue uplift we reported at our interim results has translated to full year growth, with an improving trend in Sky Box, and all other revenue lines

having grown. Importantly, this result also included increases in average revenue per user (ARPU) across both Sky Box and Streaming,” said Sophie Moloney.

Other income increased by 7% and included the \$14.0 million gain from the sale of Sky’s Mt Wellington properties (for \$56.0 million) which completed in March 2022.

“While the 2022 financial year included an expected step-up in sports and entertainment programming costs, our wide-ranging cost review announced in December 2021 identified total potential cost savings of \$40 to \$45 million, and we have delivered on that promise with today’s result having realised savings of \$42 million across opex and capex. Our focus on costs remains and whilst investment to fuel future growth will involve increased operational and capex spending - including for the rollout of the new Sky Box to customers - this will be partly off-set through further permanent savings already in our sights.”

Reported NPAT increased to \$62.2 million (+41%) with Adjusted NPAT of \$49.2 million (+12%), above the guidance range.

Capital Management

As previously indicated, the Board and Management have undertaken a detailed review of Sky’s capital management strategy, taking into consideration likely capital needs, opportunities to invest to drive future growth as well as future performance projections.

All capital return options were reviewed and after careful consideration, including taking into account shareholder feedback and input from advisors, the Board will propose to the 2022 Annual Shareholder Meeting a return of capital of approximately \$70 million through a Court sanctioned pro rata share cancellation – a return of approximately 40 cents per share held on the record date to shareholders (subject to rounding)³.

This approach was selected as the most appropriate way to return a significant sum to shareholders, offering a fair and efficient mechanism that treats all shareholders equally.

The Board has also approved a final dividend of 7.3 cents per share (fully imputed), equivalent to 60% of Free Cash Flow², to be paid on 23 September 2022.

Philip Bowman thanked shareholders for their support, noting that: “Not only have we made good progress against strategy, but improved financial performance combined with greater confidence in the future has allowed the Board to declare the final dividend for FY22 as well as the capital return.”

"These initiatives strike a careful balance between returning surplus capital, providing an income stream to shareholders, and retaining the flexibility to invest for future growth."

³ The capital return will result in the cancellation of shares, with shareholders receiving payment for each share cancelled. The price per share cancelled and cancellation ratio will be determined closer to the time, and are expected to be set such that, where no rounding is applied to a shareholder, that shareholder will receive 40 cents per share held on the record date. Fractional entitlements will be rounded, such that shareholders may receive more, or less, than 40 cents per share held on the record date where rounding is applied to them.

An indicative timetable and key facts regarding the return are included at the end of this release and further information will be provided in the Notice of Meeting which will be sent to shareholders in advance of Sky's Annual Meeting to be held on 2 November 2022.

Outlook

Sky expects to see continued growth in customer numbers and revenue. While FY23 will include the anticipated increase in programming costs, this will be partly offset by the full year benefit of FY22 permanent cost savings and next phase of cost reduction measures. Capital investment will increase largely due to the roll-out of the new Sky Box and is likely to remain elevated in FY24 before reducing thereafter.

In addition to the investment in the new Sky Box roll-out, FY23 will see Sky invest further to fuel growth through continuing the digital transformation of its technology platform, enhancing data analytics capabilities, developing digital engagement channels and expanding its capability in advertising.

Sky has released guidance for FY23 including Revenue of \$750 to \$770 million; EBITDA of \$150 to \$170 million (midpoint of 4.1% above FY22 EBITDA on a normalised basis); NPAT of \$50 to \$60 million and Capex of \$60 to \$75 million.

Sky's balance sheet, supported by an undrawn bank facility of \$150 million, is expected to remain strong following the return of capital. Based on delivery of the recent guidance referenced above, the Board anticipates paying FY23 dividends at the upper end of the target pay out range of 50% to 80% of Free Cash Flow (excluding one-offs), and expects total dividends in the range of \$17 to \$23 million in FY23.

Sophie Moloney said: "While there are clear economic headwinds in the current financial year, we are looking with confidence to FY24 and beyond, as we move beyond this inflection point and position the business to capture the opportunities that are firmly within our sights."

ENDS

Authorised by: Sophie Moloney, Chief Executive Officer

Sky will hold a webcast briefing at 10:30am (NZT) to discuss the results. Details on how to participate are available here: <https://www.nzx.com/announcements/396146>

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Additional information regarding the proposed return of capital to shareholders

Key facts:

- Total cash return to shareholders of approximately \$70 million expected in late November 2022.
- Capital return to take place by way of a High Court approved scheme of arrangement with shareholder approval being sought at Sky's Annual Meeting on 2 November 2022.
- Sky will seek a binding ruling from the Commissioner of Inland Revenue to confirm the proposed return of capital is not in lieu of a dividend. A class ruling from the Australian Taxation Office (ATO) will also be sought.
- The capital return will result in the cancellation of shares, with shareholders receiving payment for each share cancelled. The price and cancellation ratio will be determined closer to the time.
- The capital return will not alter shareholders' proportionate shareholding in the Company or future voting and distribution rights.
- Sky shareholders will receive more information regarding the capital return in the Notice of Meeting that is expected to be released in October.

Indicative timetable:

EVENT	DATE
Notice of meeting distributed	October
Annual Meeting/shareholder vote	2 November 2022
Final orders made by High Court	mid-November 2022
Payment to shareholders	late-November 2022

* Dates above are indicative only.



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Sky Network Television Limited Year ended on 30 June 2022 (In NZD)

To be read in conjunction with Sky Network Television Limited financial statements for the year ended 30 June 2022

- **Results for announcement to market**

Name of issuer	Sky Network Television Limited	
Reporting Period	12 months to 30 June 2022	
Previous Reporting Period	12 months to 30 June 2021	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from ordinary activities	\$736,111	3.5% increase
Net profit/(loss) from ordinary activities after tax attributable to security holders	\$62,145	41.4% increase
Total net profit/(loss)	\$62,212	40.5% increase
Final Dividend		
Amount per security	\$0.07300000	
Franked amount per security	Not applicable	
Record Date	09/09/2022	
Dividend Payment Date	23/09/2022	
	Current period	Prior comparable period
Net tangible assets per security	\$1.1124	\$0.6312
A brief explanation of any of the figures above necessary to enable the figures to be understood	For further explanation refer the financial commentary and audited financial statements attached.	

- **Control gained over entities**

Prior Year 2021

On 1 January 2021 the Group, through its subsidiary Sky Investment Holdings Limited, acquired 81% of the share capital of Sports Analytics Pty Limited, a company registered in South Africa. Sports Analytics specialises in deep-data analysis, trend identification and data leveraging.

Refer Note 28 Business Acquisitions and Disposal of the attached Consolidated Financial Statements.

- **Loss of control of entities**

Prior Year 2021

On 11 August 2020 Sky entered into an agreement with NEP New Zealand Limited (NEP) to sell the assets and liabilities of Outside Broadcasting Limited (OSB) business to NEP for approximately \$14.3 million. The sale was subject to Commerce Commission approval that was subsequently granted on 4 February 2021, with completion of the sale occurring on 31 March 2021.

In January 2021 RugbyPass signed an agreement to sell its streaming business to Premier Sports Ltd.

Refer Note 28 Business Acquisitions and Disposal of the attached Consolidated Financial Statements

- **Dividends**

Final dividend payable: NZD 12,752,248

Prior comparable period: Nil

- **Details of aggregate share of profits (losses) of associates and joint venture entities**

Not applicable

- **Accounting standards**

New Zealand international financial reporting standards used in compiling report.

- **Directors' Details**

The directors of Sky Network Television Limited at any time during the year are as follows:

Philip Bowman	Chairman
Keith Smith	Director
Joan Withers	Director
Mike Darcey	Director
Geraldine McBride	Director
Mark Buckman	Director (Appointed 21 March 2022)



- **Other information required by Listing Rule 4.3A**

Additional Appendix 4E disclosure requirements, including commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results of the year are contained in the consolidated financial statements of Sky and its subsidiaries (**Group**) for the financial year ended 30 June 2022. This document should be read in conjunction with the 2022 Annual Report and any public announcements made in the period by the Group.

Director's Declaration

The directors declare that the consolidated financial statements:

- (i) comply with New Zealand International Financial Reporting Standards
- (ii) give a true and fair view of the financial position of Sky Network Television Limited and its subsidiaries as at 30 June 2022 and of their performance, as represented by the results of their operations and their cash flows for the year ended on that date.

In the directors' opinion at the date of this declaration there are reasonable grounds to believe that Sky Network Television Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors and is signed for and on behalf of the Board of directors.

Dated at Auckland this 24th day of August 2022.



Philip Bowman
Director and Chairman



Keith Smith
Director

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.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Sky Network Television Limited

ABN/ARBN

70 653 143 224

Financial year ended:

30 June 2022

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://www.sky.co.nz/investor-centre/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 25 August 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 25 August 2022

Name of authorised officer authorising lodgement: James Bishop

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.sky.co.nz/investor-centre/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://www.sky.co.nz/investor-centre/corporate-governance (see Diversity Policy)</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>Corporate Governance Statement (https://www.sky.co.nz/investor-centre/corporate-governance) and our Annual Report (pg 107).....</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>Corporate Governance Statement, Board Charter, Audit and Risk Committee Charter and People and Performance Committee Charter (located at https://www.sky.co.nz/investor-centre/corporate-governance),</p> <p>.....</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p>[insert location]</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: ... Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance) and, where applicable, the information referred to in paragraph (b) at: Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance) and Annual Report (pg 106) [insert location] and the length of service of each director at: ... Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: Sky's FY21 Annual Report, Sky's 25 August 2021 annual results presentation and Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.sky.co.nz/investor-centre/corporate-governance (see Code of Ethics)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://www.sky.co.nz/investor-centre/corporate-governance (see Protected Disclosure Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.sky.co.nz/investor-centre/corporate-governance (see Anti-Bribery and Corruption Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.sky.co.nz/investor-centre/corporate-governance (see Audit and Risk Committee Charter)</p> <p>and the information referred to in paragraphs (4) and (5) at: Experience and qualifications of committee members are set out in the Annual Report (see Board biographies) and the Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance).</p> <p>Number of committee meetings and attendance is set out in the Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance).</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.sky.co.nz/investor-centre/corporate-governance (see Continuous Disclosure Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.sky.co.nz/investor-centre/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.sky.co.nz/investor-centre/corporate-governance (see Investor Communications Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	<input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://www.sky.co.nz/investor-centre/corporate-governance (see Audit and Risk Committee Charter) and the information referred to in paragraphs (4) and (5) at: in the Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance). <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: ... Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance) <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement

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<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>... See Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance) and Audit and Risk Committee Charter (https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>... See Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>... See Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.sky.co.nz/investor-centre/corporate-governance (see People & Performance Committee Charter)</p> <p>and the information referred to in paragraphs (4) and (5) at: See Corporate Governance Statement (located at https://www.sky.co.nz/investor-centre/corporate-governance)</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: https://www.sky.co.nz/investor-centre/corporate-governance (see Remuneration Policy)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

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ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
<p>-</p>	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>-</p>	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



Results Presentation

For the year ended 30 June 2022

25 August 2022

Agenda

- ▶ FY22 Overview
- ▶ Operational performance
- ▶ Financial performance
- ▶ Capital Management
- ▶ Outlook and Guidance
- ▶ Questions

FY22 at a Glance

- ▶ **Customer relationships** continue to rise
- ▶ **Continued revenue growth** in H2 - an increase of +4% in FY22
- ▶ **Cost reduction** target achieved
- ▶ Unrivalled **content runway secured**
- ▶ Transformational **Sky Box launch imminent**
- ▶ Generating **sustainable Free Cash Flows**
- ▶ Capital management strategy provides a **\$70m return to shareholders** and a confident return to **paying dividends** while **investing for growth**

TOTAL CUSTOMER RELATIONSHIPS

990,761

(FY21: 957,098)

STREAMING CUSTOMER GROWTH¹

+11% YOY

(+18% excl. RugbyPass)

SKY BOX CUSTOMERS

529,521

(FY21: 554,690)

FREE CASH FLOW²

\$42.8m

(FY21: \$18.6m)

REVENUE (excl Other Income)

\$736.1m

(FY21: \$711.2m)

EBITDA

\$169.0m

(FY21: \$180.3m, restated)

NPAT

\$62.2m

(FY21: \$44.2m, restated)

FINAL DIVIDEND

7.3cps

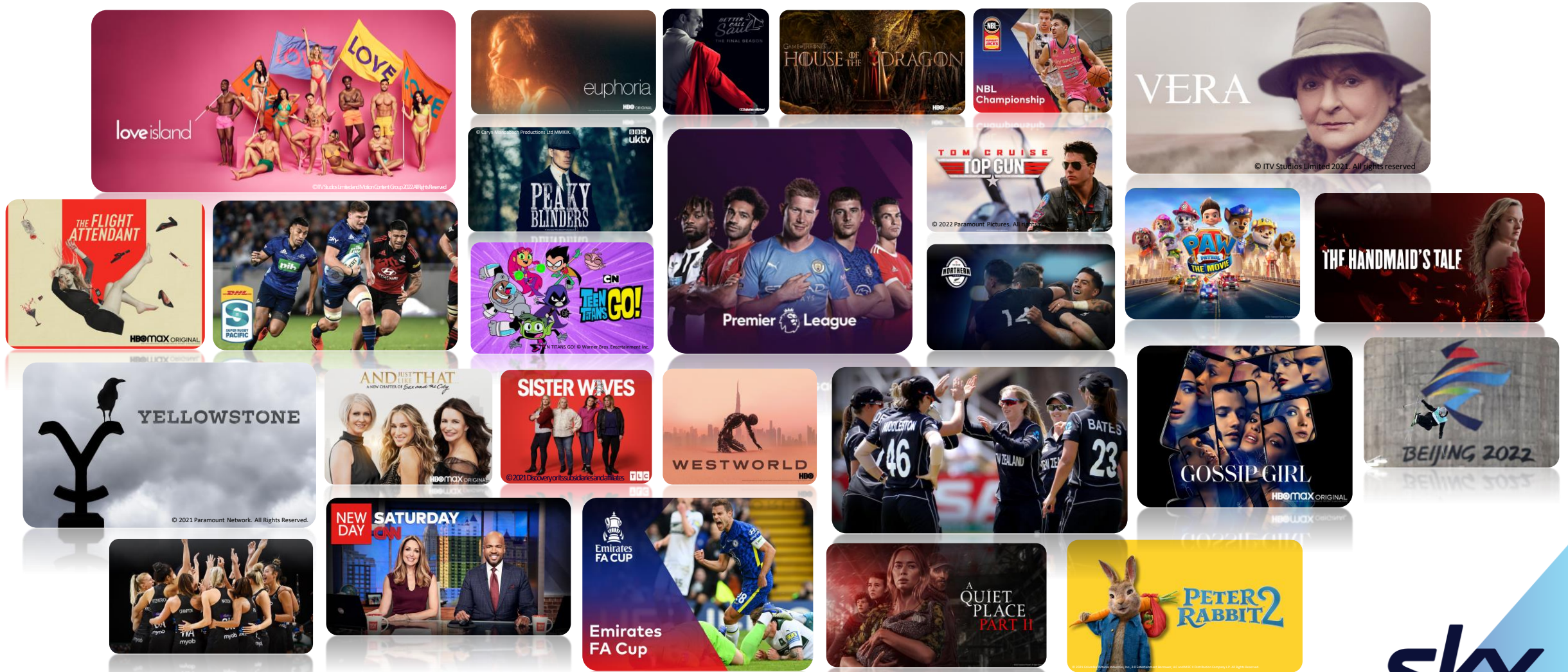
(60% of Free Cash Flow²)

1. Comprising of Neon, Sky Sport Now, Retransmission and RugbyPass customers 2. Free Cash Flow is defined as net cash from operating activities, less net cash used in investing activities less payments for lease liability principal and excludes proceeds from sale of Mt Wellington properties. 60% ratio is based on smoothed cash flow across the year.

sky

Operational
Performance

We connect New Zealanders with the sport and entertainment they love...



... in ways that work for them, right across the country

sky



sky BUSINESS



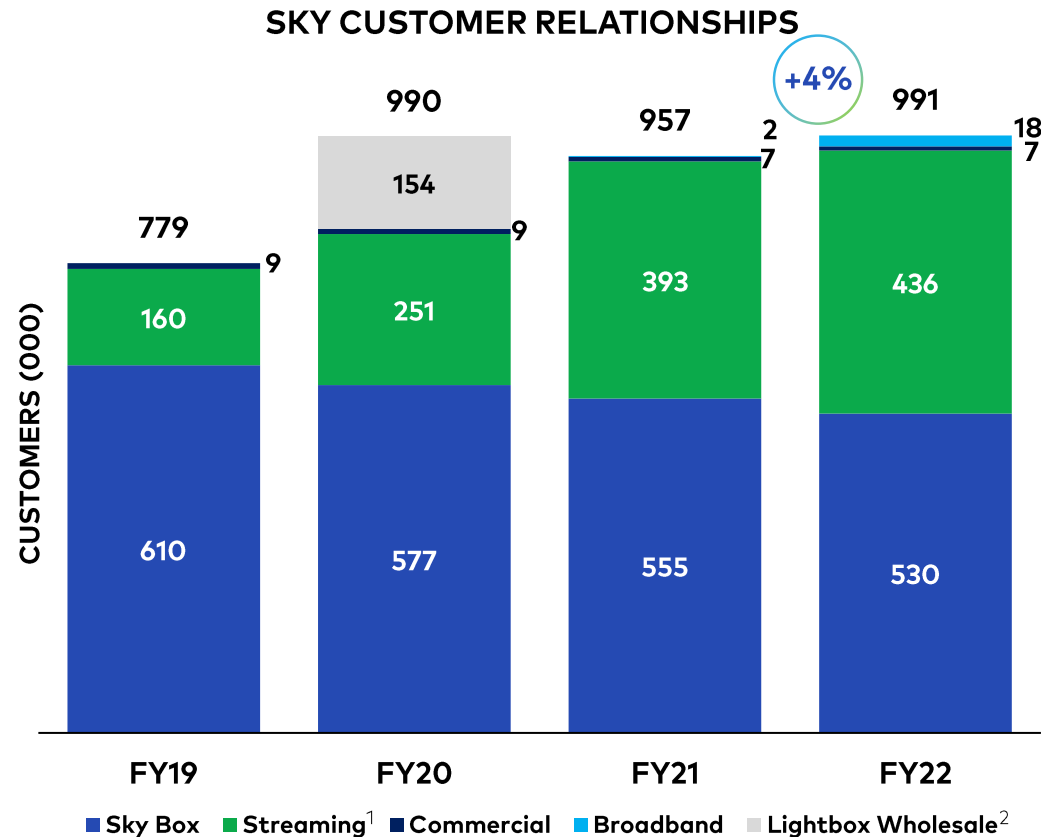
sky ADVERTISING

sky BROADBAND



Customer Relationships

Total relationships up 4%, contributing to 4% growth in revenue

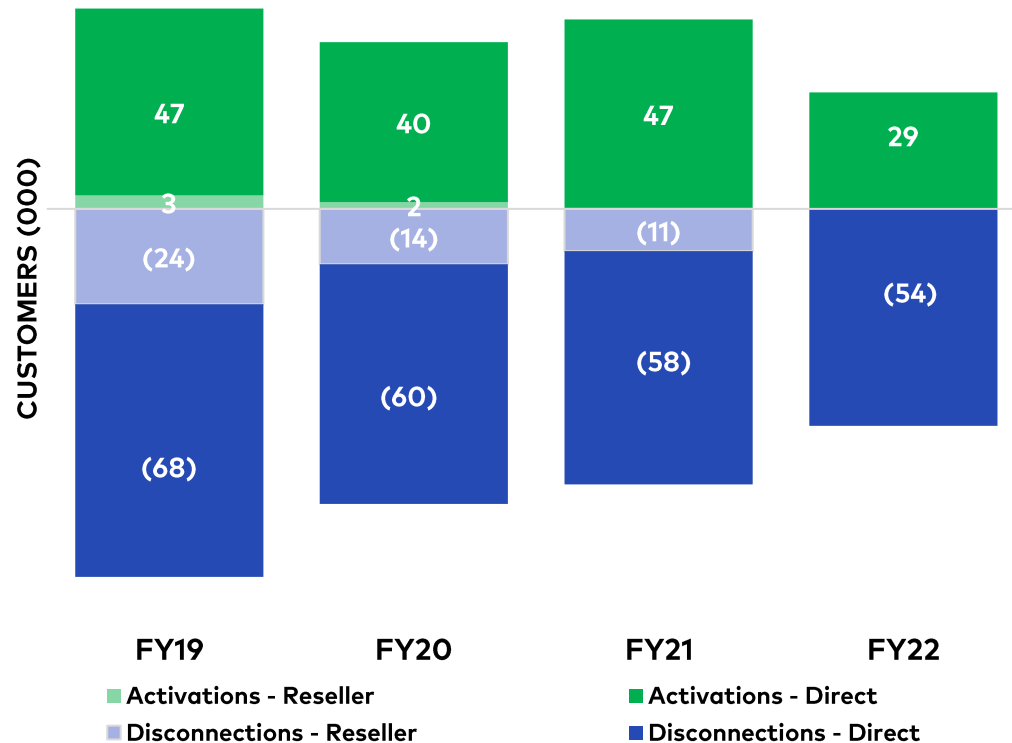


- Strong growth in Streaming customers of 11%, rising to 18% when adjusted for RugbyPass
- Sky Box stabilisation expectation remains unchanged. Clearer focus on enhanced acquisition profile is contributing to significantly improved revenue performance
- Commercial customer relationships were relatively stable
- Sky Broadband finished the year with close to 18,000 customers

Sky Box Customer Movements

Acquisition strategy reset to drive sustainable long-term benefits

SKY BOX CUSTOMER ACTIVATIONS & DISCONNECTIONS

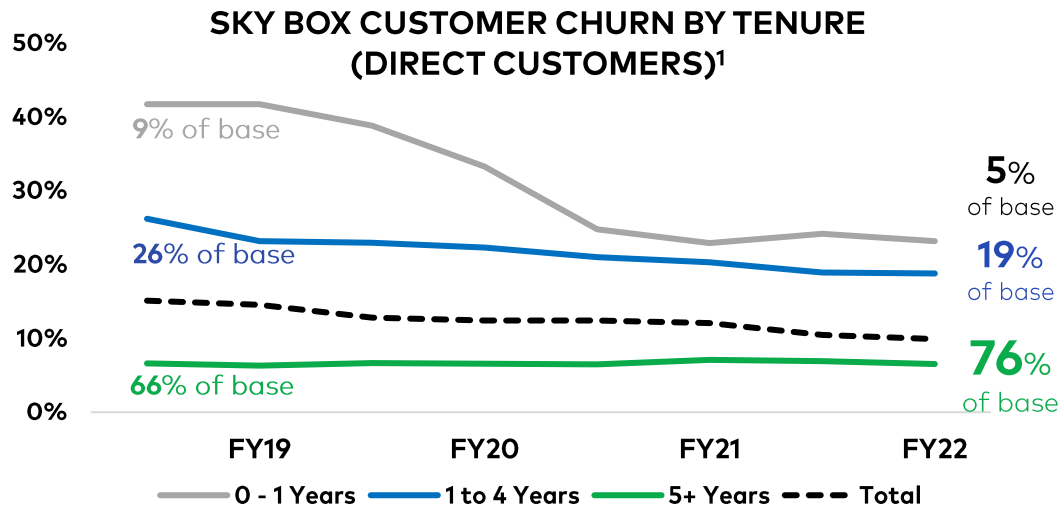


- Changed acquisition strategy introduced in H2 following analysis of past acquisition outcomes. This identified significant opportunity to improve: acquisition revenue and cost profile and early churn rates through a new approach to channel mix and sign-on incentives
- While acquisition numbers are down (also partly due to H1 Covid restrictions on installations) early results demonstrate:
 - Significant reduction in third-party costs (60% reduction YoY), and foregone revenue¹ improvement of more than 20% YoY
 - Improved acquisition profile, including Broadband attachment of 10% to deliver ongoing positive ARPU impact
 - Positive impact expected in future early-tenure churn rates linked with the end of discount periods
- 22% improvement in customer disconnection rates reflects improved customer satisfaction levels and a more stable base
- From H1 2023 Vodafone TV customers transitioning to Sky Box will be treated as acquisitions on migration

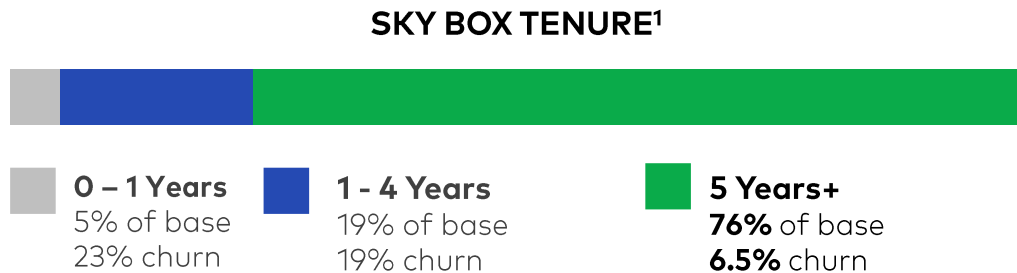
1. Foregone revenue is discounts provided that have been recognised in the financial period. The benefit is realised as the term of the discounts roll off and fewer discounts are applied across the base.

Sky Box Tenure and Churn

76% of customers with 5 year+ tenure with an impressive 6.5% churn

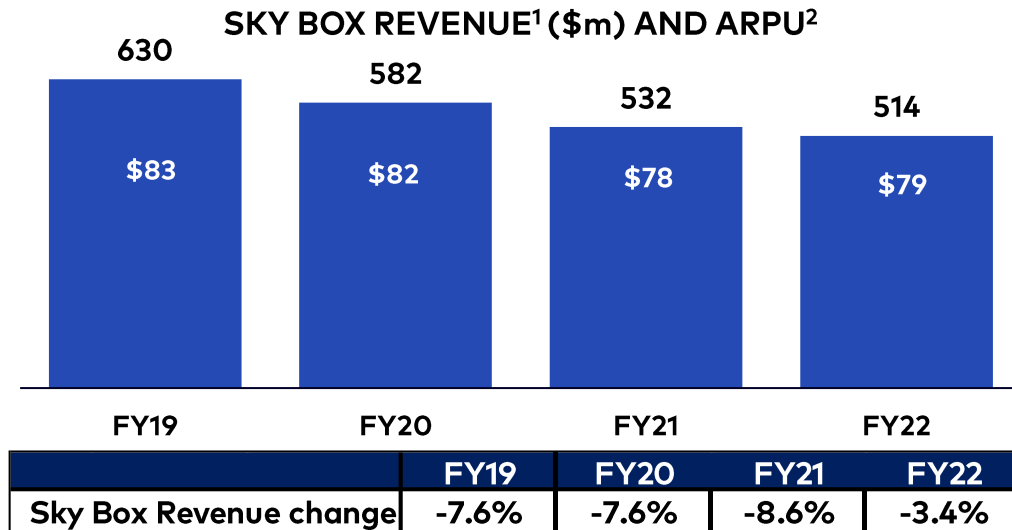


- Significant improvement in annualised churn to 10.0%, compared to 12.2% in FY21 and with a 31.3% improvement over the past 4 years (from 14.6%)
 - Significant (76% of base) in the 5 years+ tenure category demonstrates exceptionally low churn of 6.5%, improved from 7.0% in FY21
 - 7% improvement in 1-4 year tenure segment to 19% churn
 - 0-1 year tenure segment consistent YoY at 23% with changes to acquisition strategy expected to deliver improvements going forward
- Positive early impact from customers experiencing Sky Rewards, with uplift in NPS and customer satisfaction scores as well as an incremental reduction in churn across all tenure groups.

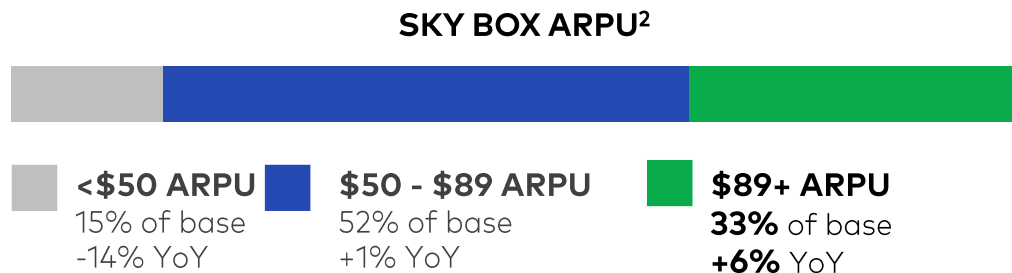


Sky Box Revenue and ARPU

Closing in on revenue stabilisation as ARPU improves

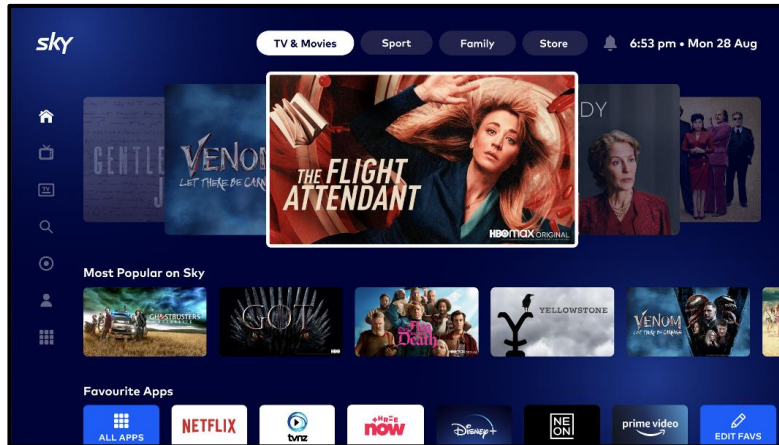


- Significant, 60% improvement in revenue decline to 3.4% year on year
- ARPU² rose 44 cents to \$78.84 including positive impact from:
 - Unwinding 'first month free' offer on reseller migration
 - Lower levels of discounting
 - Higher retention rates with more high value customers choosing to stay
 - Two-month impact of \$3 price increase on sports pack in May 2022 – the first rise since April 2019, with sports subscriptions at 70% of base at year end
- 85% of Sky Box customers have ARPU above \$50 (ex. GST), up from 83%.

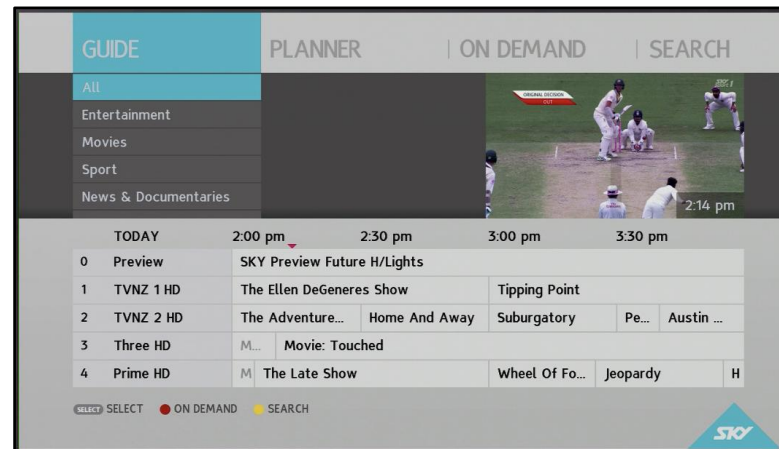


New Sky Box update

Transformational experience to deliver enhanced viewing with priority given to existing customers



- Involvement from customers and those 'open to Sky' through design and testing phases has shaped the development and ensures the new Sky Box delivers to existing and potential customer needs
- Significant step-change in user experience with enhanced user interface, and content discovery across Sky, free to air and customers' favourite apps
- Go to market plan focuses on communicating with existing customers first



Sky Broadband

Market leader for customer experience, delivering 3.3% attachment rate and early evidence of Sky Box churn improvements

18.0k

CUSTOMER RELATIONSHIPS

3.3%

ATTACHMENT (to Sky Box)

\$8.8m

REVENUE in FY22

\$72.13

MONTHLY ARPU¹ (ex-GST)
(\$82.95 incl. GST)

60%

900/400 SPEED PLANS

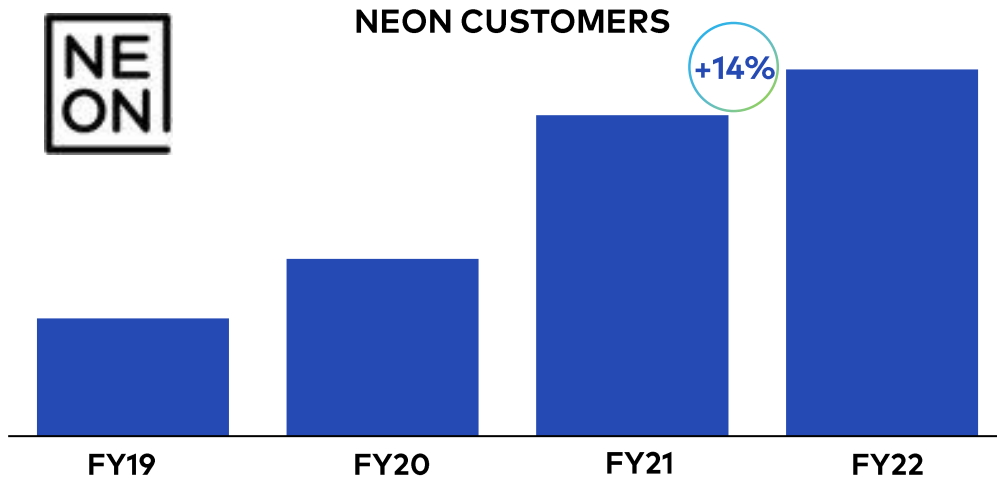


sky BROADBAND

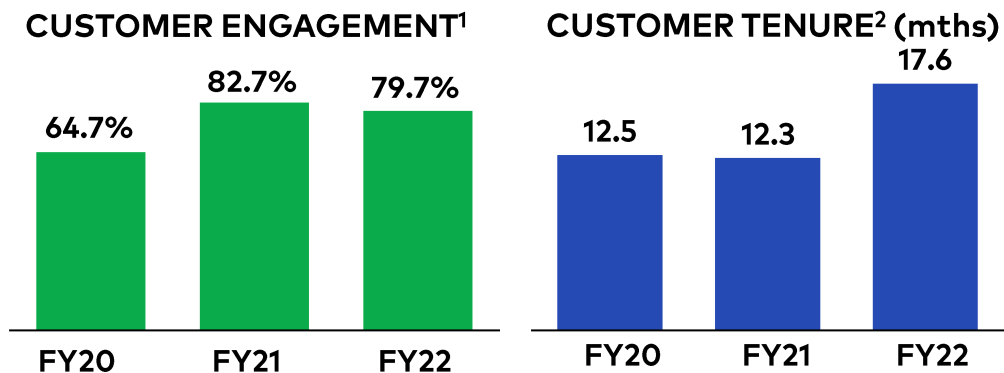
- Sales momentum is building, driven by a strong product proposition and 'non-telco' like NPS and customer satisfaction (CSAT) scores supporting referrals (CSAT on joining 79% and following 100 days 87%). Consideration and awareness remains high, with 20% unprompted / 54% prompted awareness among Sky Box customers
- Early results suggest churn for bundled broadband customers is 2ppts lower than average
- Achieving growth in ARPU despite the popularity of lower speed plans, through higher margin services including voice attachment (24%) and Wi-Fi boosters (12%)
- Revenue expansion continues as Sky Broadband scales up while also capturing cost efficiencies and leveraging on-platform marketing
- Reviewing pricing in light of Chorus input cost increases

Streaming Customers - Neon

Customer and tenure growth reflect Neon's improved market position

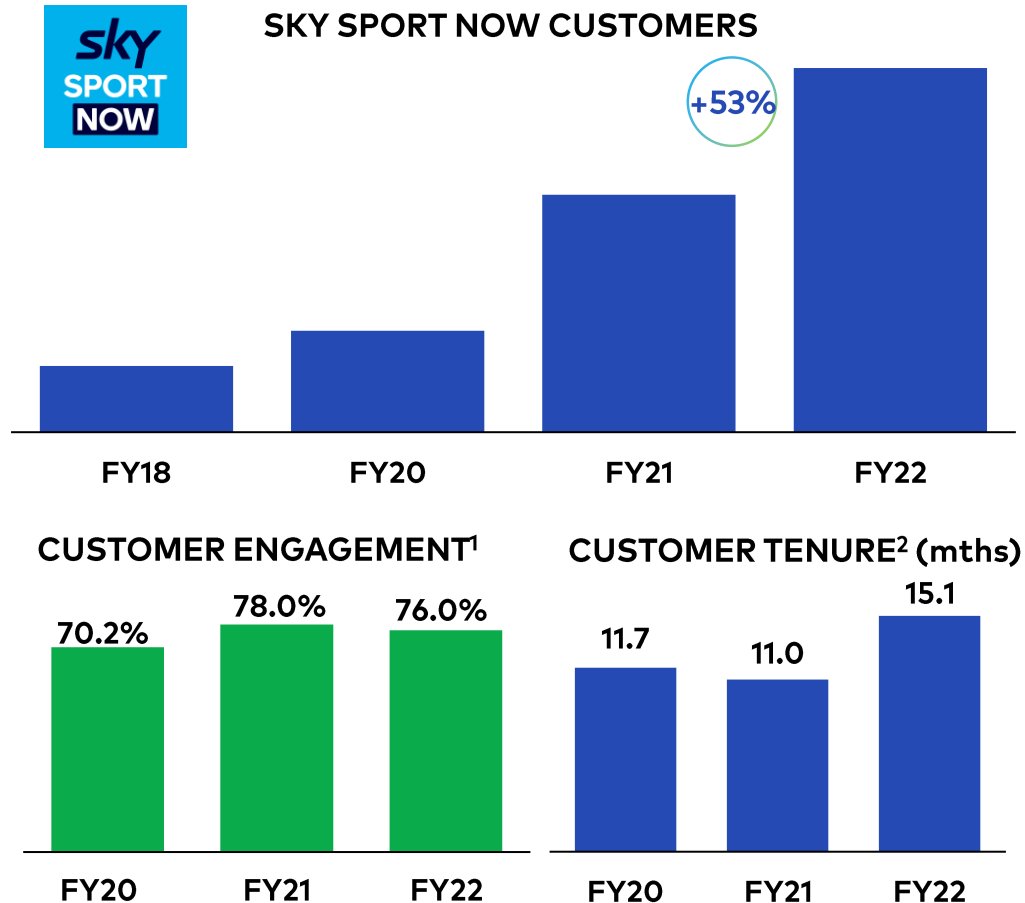


- Customer growth continues with strong revenue growth of 47% driven by higher average customer numbers, improved tenure and the impact of the May 2021 price increase
- Neon's quality content is curated by kiwis for kiwis and is delivering high levels of engagement that keep customers sticky, with a significant runway of tentpole content ahead to support future growth
- New pricing introduced on 15 August 2022 (\$17.99 monthly / \$179.99 annual pass) with a basic tier introduced to provide optionality at a lower price point (\$12.99 monthly). The basic tier offers full content access but is limited to one stream/two profiles, SD and no downloads



Streaming Customers – Sky Sport Now

Significant increase in customer numbers as growth trend continues

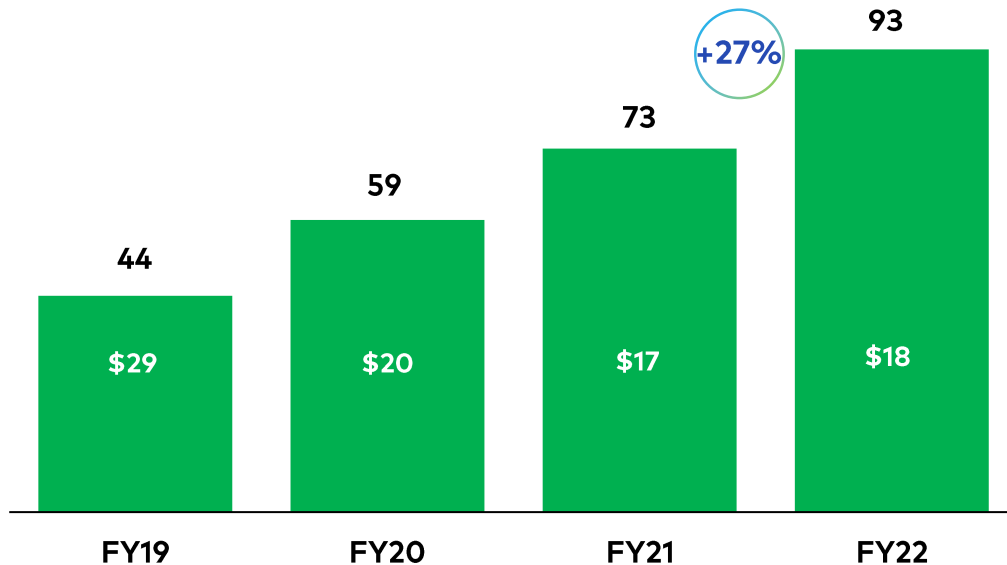


- Sky Sport Now has cemented its position as the #1 streaming app of choice for regular and casual sports fans, including coverage of over 30 codes and a strong mix of local and international competitions and events as well as shows, documentaries and highlights packages
- Data personalisation and rich insights are enabling targeted offers and that leads to customer growth and repeat purchases from a growing win-back pool of committed and casual fans
- Latest platform upgrade in August 2022 delivers a significant step-up in features, including: watch from start, multi-view of up to four channels simultaneously and an innovative 'instant replay' function for internet viewers, as well as enhancements in content curation and discovery
- Over 30% of the Sky Sport Now customer base engaged with Premier League content within the first two weeks of launch

Streaming Revenue

Significant growth in Neon and Sky Sport Now revenue somewhat masked by changes in Retransmission and RugbyPass transition

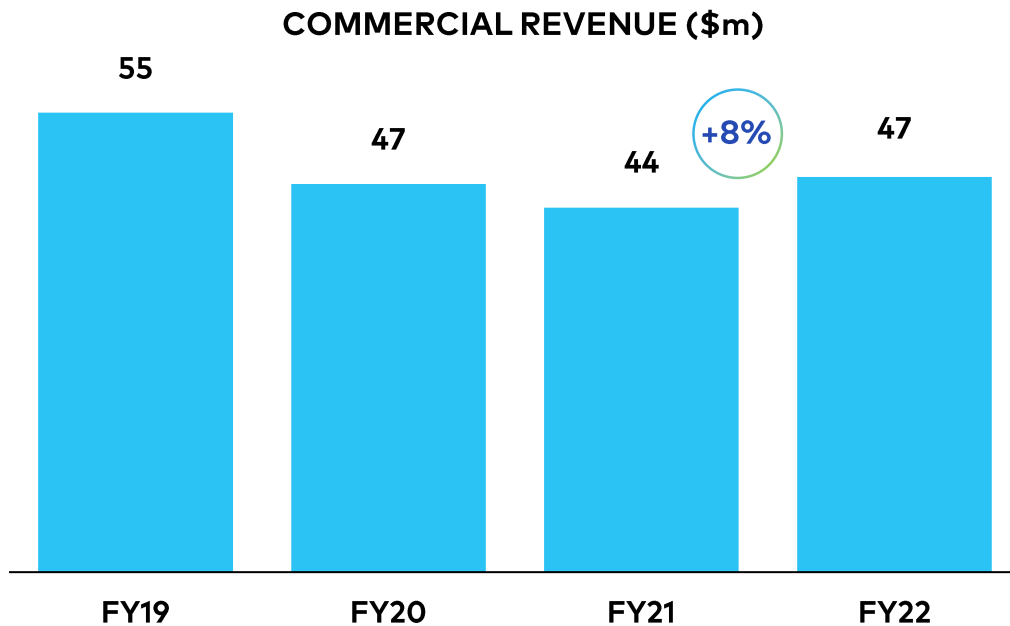
STREAMING REVENUE (\$m) & ARPU¹



- Revenue growth of 27% is outpacing customer growth, with 47% growth recorded for Neon revenue and 87% for Sky Sport Now
- Revenue of \$44.8m in H2 compared to \$48.5m in H1, largely reflected changed commercial model for Retransmission customers as they are migrated to Sky platforms
- Sky Sport Now benefitted from customer growth and the success of shorter-term event passes, while Neon growth included 12-month impact of the 14.6% price increase in May 2021 (and with a 12.5% price rise from August 2022)

Commercial Revenue

Strong signs of recovery as customers benefit from lifting of restrictions

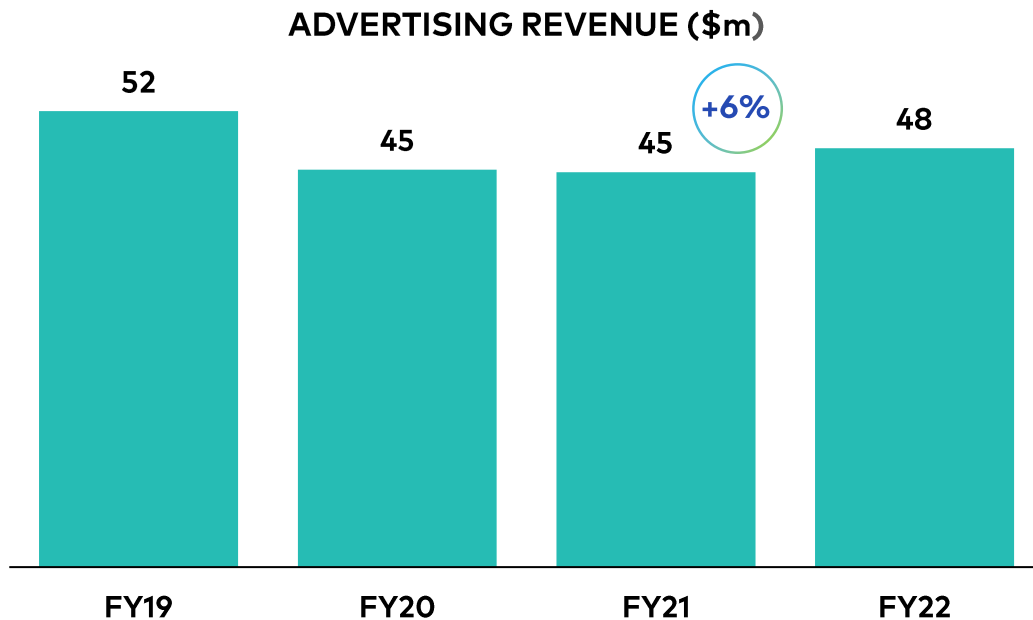


- Recovery from Covid related impacts gained momentum in FY22, despite an extended Auckland/Northland and Waikato lockdown in H1 and lower levels of domestic travel impacting in H2 due to Omicron
- The July reopening of international borders is providing early evidence of positive trend and all customers returned to normal billing from 1 August 2022
- The latest step up in value-based tiered pricing for licensed premise customers was introduced on 1 June 2022 (delayed due to Omicron). Since tiered pricing began in February 2020 average ARPU (excluding Covid subsidies) would have been +16% with the full impact so far masked by Covid

Advertising Revenue

6% lift in total advertising revenue as recovery continues

sky ADVERTISING



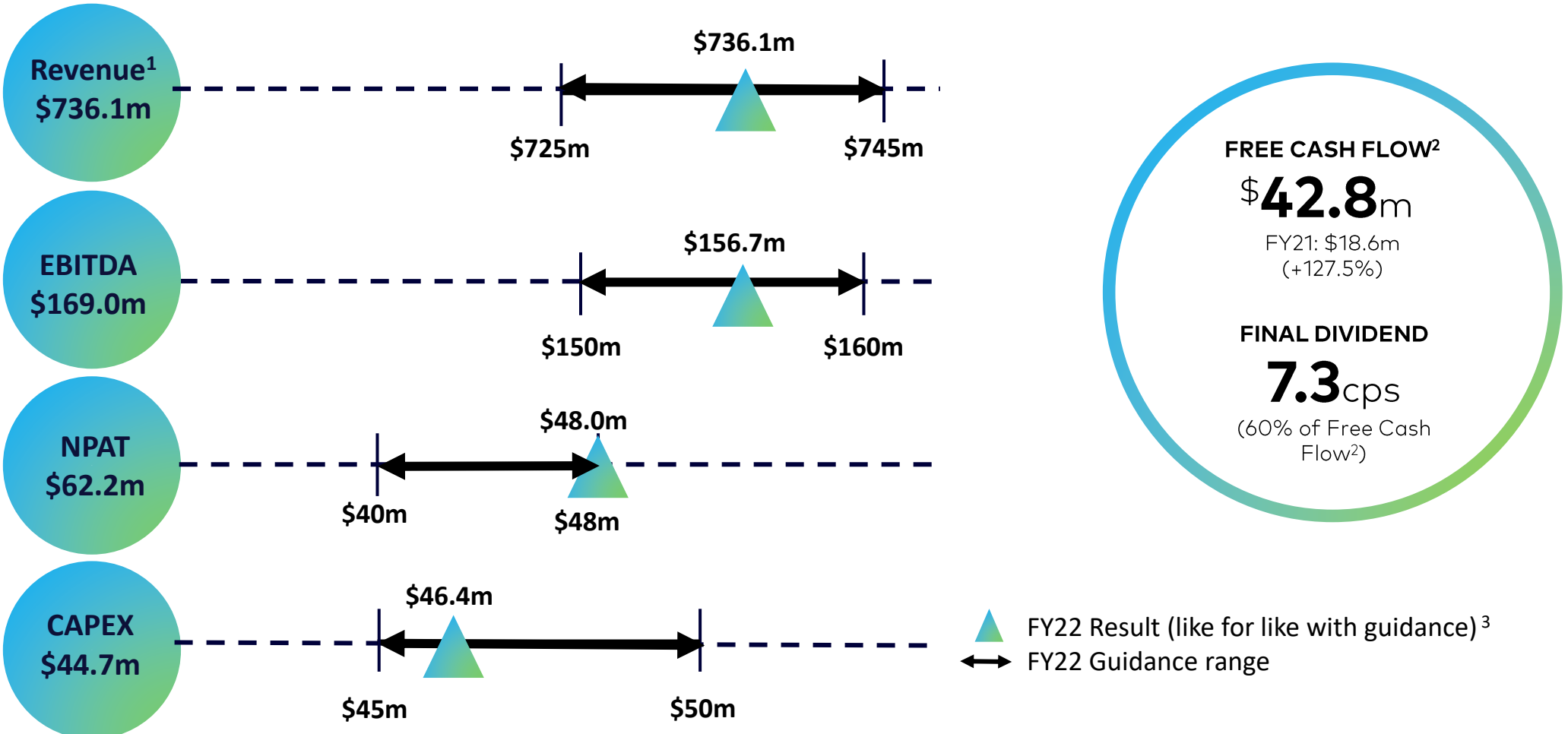
- Advertising revenue returned to growth despite the full year impact of Discovery channel revenue transitioning from Sky to Discovery at the last rights renewal¹. Total revenue uplift of 6% includes RugbyPass ad revenue (4% uplift when adjusted for RugbyPass impact)
- Sky's share of FY22 advertising market spend² was down slightly year on year although grew in the second half to reach 9.1%
- The result reflects a strong content lineup and a more bespoke approach to integrated sales opportunities

The Sky logo, featuring the word "sky" in a white, lowercase, italicized sans-serif font. The background consists of several overlapping geometric shapes in shades of blue and green, creating a dynamic, abstract pattern.

Financial
Performance

Financial Performance and guidance comparison

Strong financial performance generating growth in our free cash flow to support our return to dividends

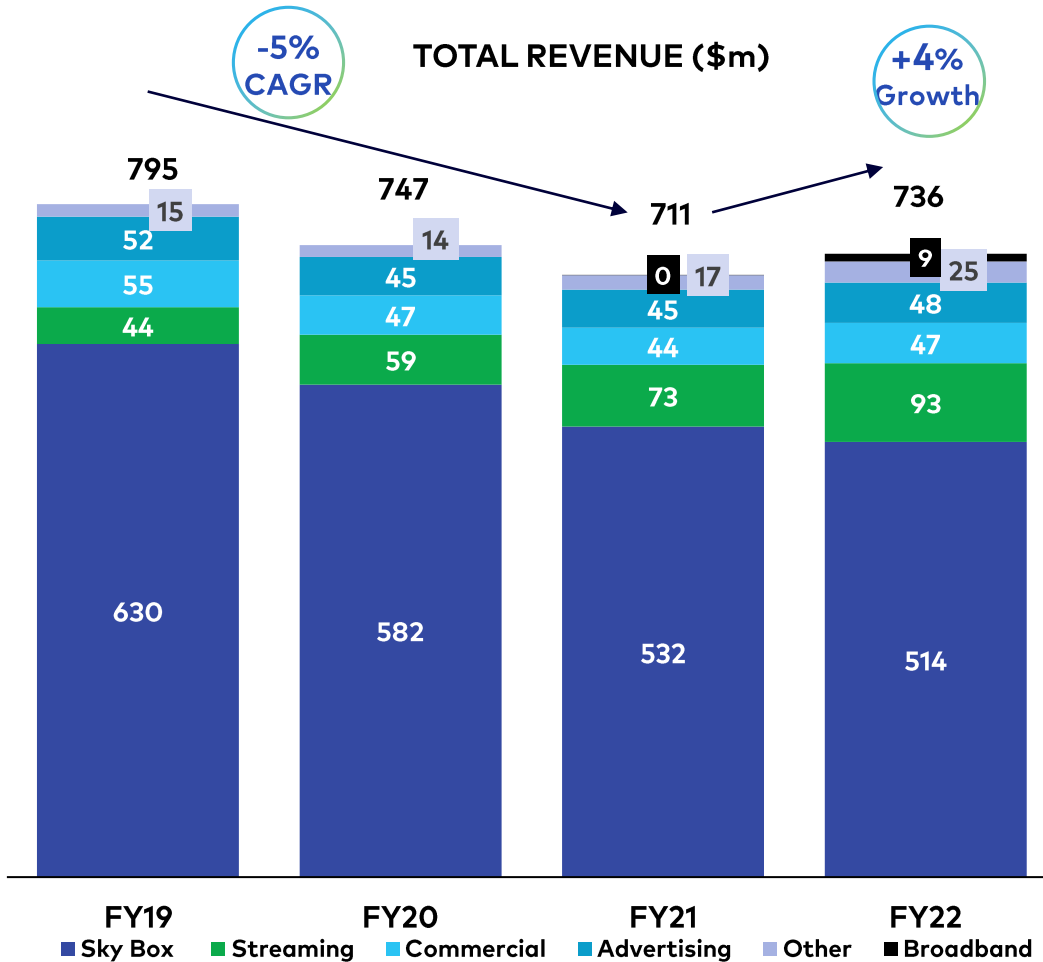


1. Revenue excludes \$16.7m of Other Income including gain on sale of Sky's Mount Wellington properties (\$14.0m).
 2. 60% ratio is based on smoothed cash flow across the year. Free Cash Flow is defined as net cash from operating activities, less net cash used in investing activities less payments for lease liability principal and excludes proceeds from sale of Mt Wellington site and OSB. 3. Guidance provided excluded the impact of the property sale and SaaS accounting change.



Revenue

Return to revenue growth – driven by core subscriptions and increasing ARPU



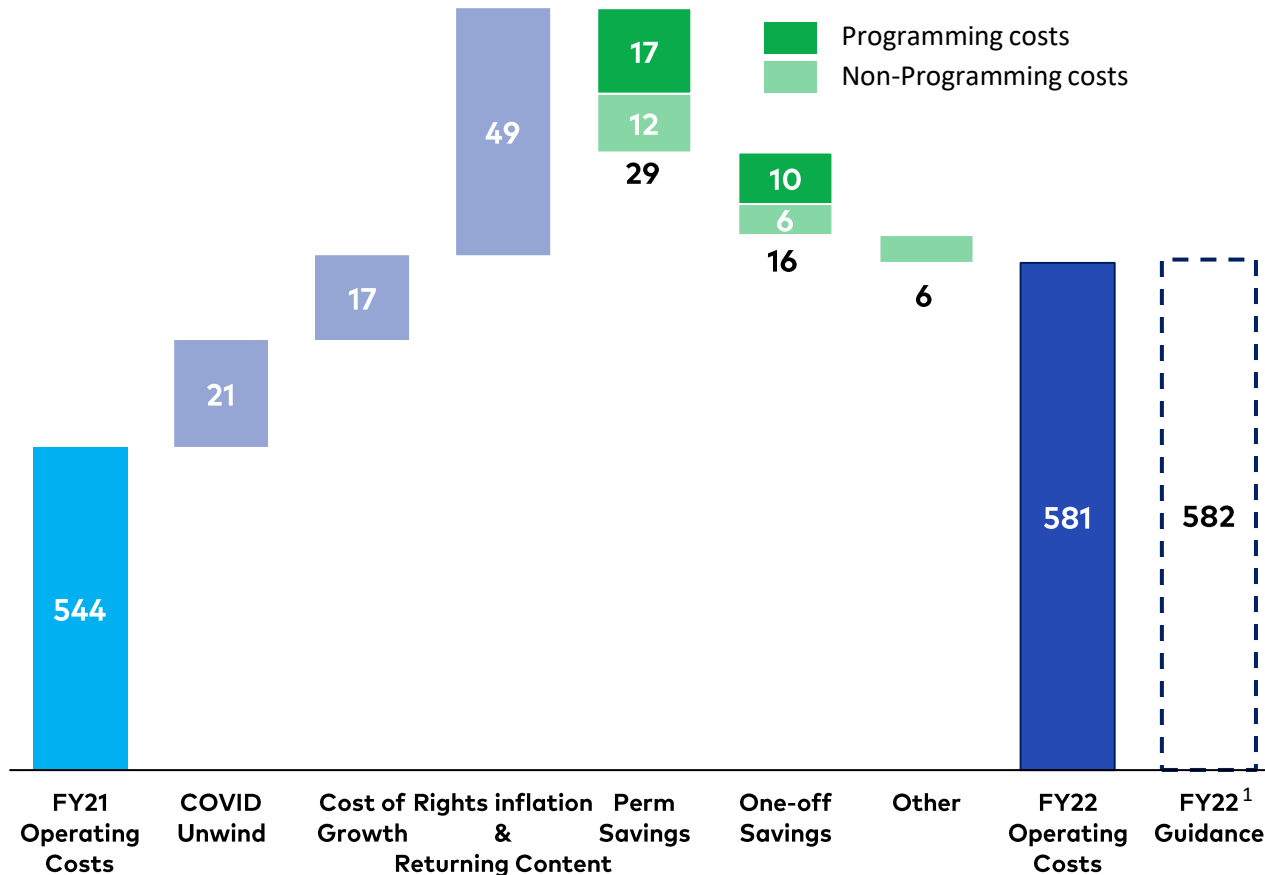
- 4% growth in revenue driven by a lift in core customer subscription, up 2.2% YoY (\$14.3m). Strong growth in streaming revenue (+27%) more than offsetting decline in Sky Box
- Ability to increase ARPU across Sky Box and Streaming reflects the strength of Sky's content and improvements in demonstrating Sky's value
- Commercial revenue bouncing back from FY21 with 8% growth YoY, even with continued Covid support to our customers during the year
- Other revenue rose by 46% due to on-sold programming rights (including a sub-license for the Olympics) and through revenue from Sky Box and Sky Broadband installations

1. Revenue excludes \$16.7m of Other Income including gain on sale of Sky's Mount Wellington properties (\$13.9m) and R&D tax credits (\$2.0m). Other \$13.5m in FY21. 2. Sky Box revenue includes direct and Vodafone reseller subscriptions. 3. Streaming revenue includes Neon, Lightbox, Sky Sport Now, RugbyPass and retransmission revenues



Total Expenses

\$35m of opex cost out in line with guidance, with \$29m of permanent YoY savings enabling reinvestment in growth

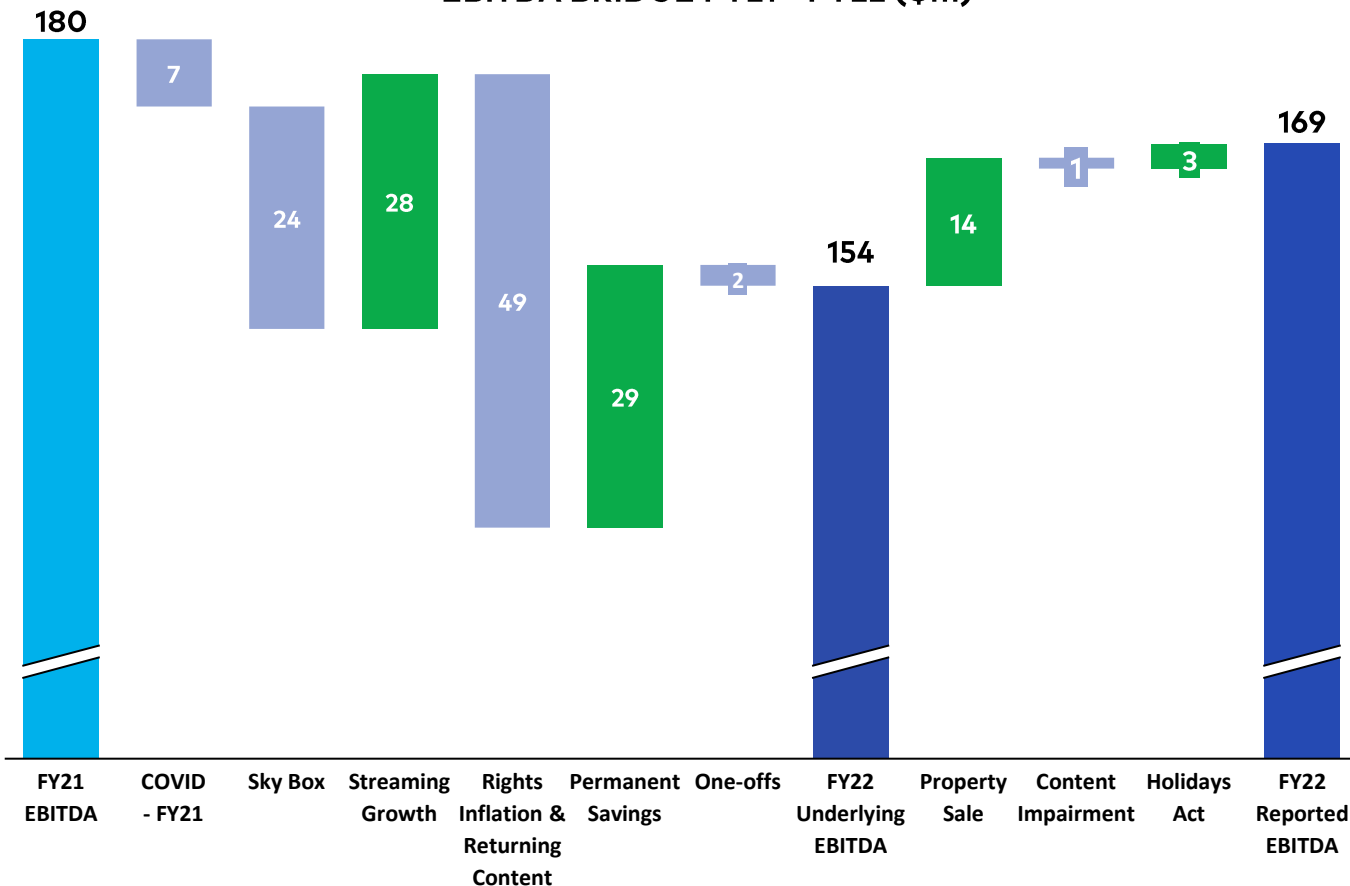


- Firm cost control in FY22 ensured the delivery EBITDA guidance with \$35m of operating cost reductions
- Programming costs increased \$36m YoY, with full impact of key rights and the reversal of FY21 Covid rebates. This was partially offset by \$17m in permanent savings and \$10m of one-off savings, including Covid rebates
- Non-programming costs increased \$3m YoY, driven by the variable costs associated with Broadband & Streaming growth, offset by \$12m in permanent savings and a further \$6m in one-off savings in the year
- Other includes content impairment, costs associated with delivering the property sale and permanent savings, as well as YoY impact of SaaS, together with Covid rebates from H1 FY22
- Depreciation & Amortisation costs reduced by \$26m YoY, with savings on satellite lease costs and lower depreciation. FY21 depreciation included accelerated depreciation for Sky Sport Now & Sky Go upgrades ahead of platform migration in FY22

EBITDA Bridge

Delivering top-end of FY22 guidance on a like-for-like basis

EBITDA BRIDGE FY21 – FY22 (\$m)

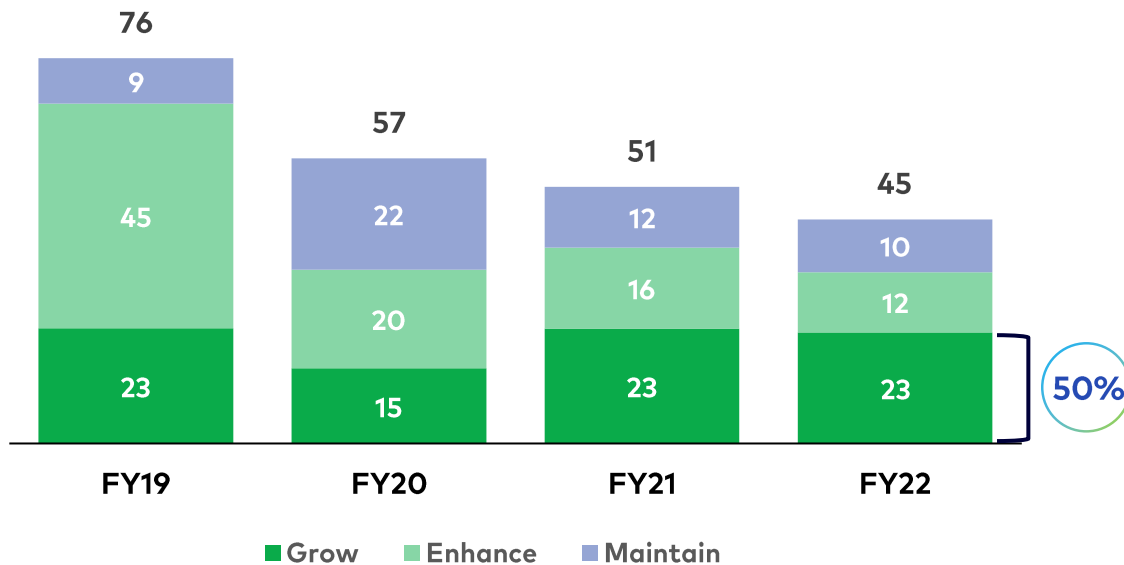


- The continued streaming revenue growth outweighs the decline of Sky box revenue
- Off the back of a suppressed sporting calendar in FY21, Programming costs steps up in FY22 as guided with full year impact of the new NZR agreement, as well as the cost of the Summer & Winter Olympics and the T20 Cricket World Cup
- \$29m in permanent savings delivered in line with Sky's December 2021 market guidance, which includes discretionary spend areas, as well as data-driven rationalisation of programming costs
- One-offs include the \$9m in Covid rebates noted in H1, offset by extended Covid impacts on Commercial revenue in the year, the cost of migrating Vodafone TV customers, investment in Sky brand, and the one-off cost of delivering the permanent savings
- FY22 EBITDA of \$153.7m when stripping out the impacts of the underlying one-offs

Capital Expenditure

Lower than anticipated capex in FY22 with a shift to growth-focus

CAPITAL EXPENDITURE¹ (\$m)

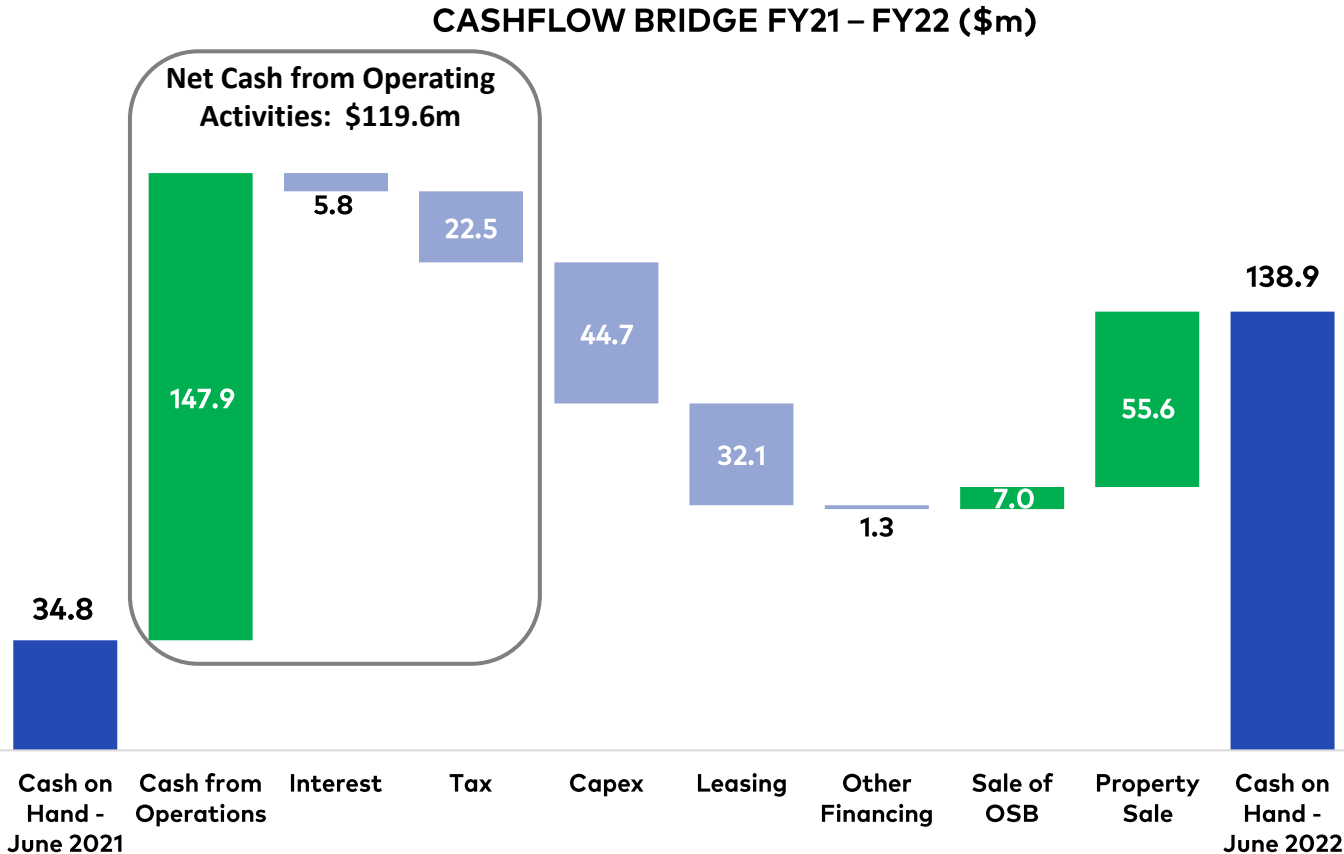


- Focused capital investment on growth projects (50%, up 5ppts YoY) to deliver the new Sky Box platform for launch in FY23 and investment in our streaming platforms to improve operational and customer experience
- FY22 Capex spend was lower than anticipated due to a portion of new box investment carried forward into FY23
- Our focus on a lighter capital model has enabled us to divert investment to scale our technology to launch new Sky Box and digital platforms in the upcoming years
- Post roll-out of the new box our long-term target for Capex intensity will be within 6-8% of revenue and with 50% - 60% on Growth Capex

	FY19	FY20	FY21	FY22
CAPEX / Revenue %	9.6%	7.6%	7.1%	6.1%
Growth Spending %	30%	26%	45%	50%

Free Cash Flow

Strong cash generation with \$104m delivered during FY22



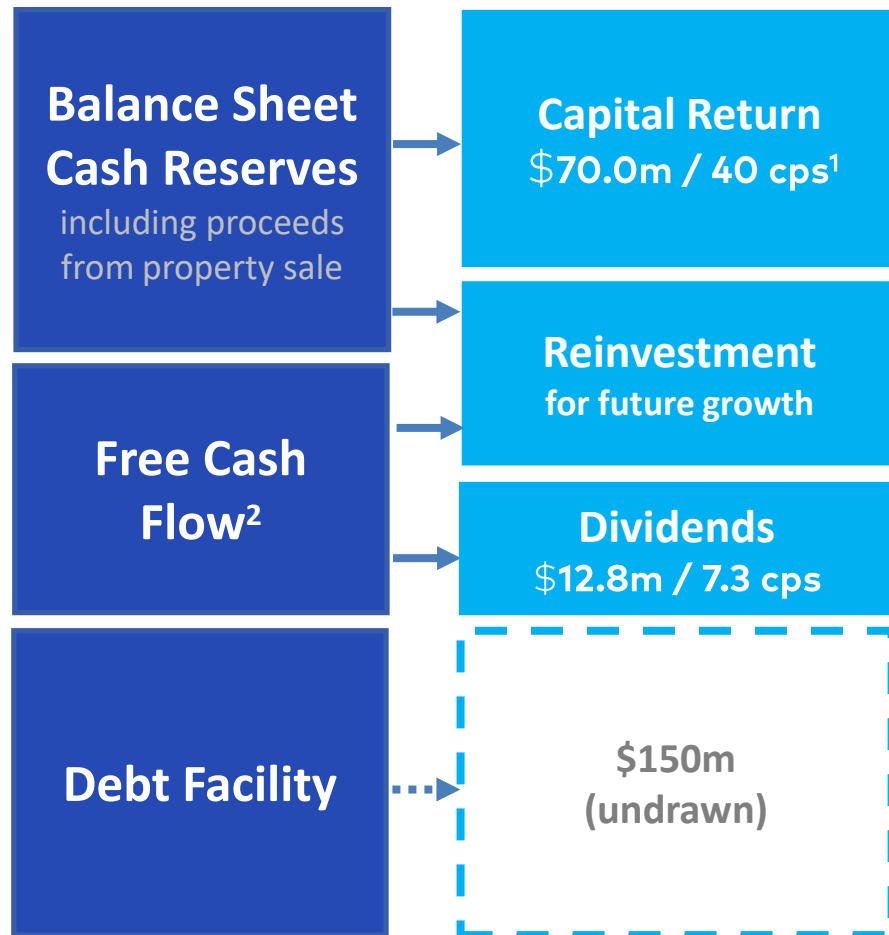
- \$104m of cash was generated during the period, compared to FY21 a cash outflow of \$76m, which included the repayment of the bond
- \$18.4m increase in Cash flow from operating activities in FY22, from \$101.2m to \$119.6m
- Lower cash outflows for Capex and lease liability compared to the prior period
- One-off items included receipt of the final instalment from the sale of OSB (\$7.0m) and proceeds from the property sale (\$55.6m)
- Strong closing cash balance of \$138.9m



sky Capital
Management

Sky's capital allocation plan

Sky will return majority of cash to shareholders while retaining capital to fund growth



How we're thinking about:

Capital Return: Sky will return approximately \$70 million, or approximately 40 cents¹ per existing share via Court Sanctioned Return

Investment: Sky will invest for future growth, ensuring investments are assessed as accretive and in-line with strategy. In future, additional capital management measures, including buybacks may be considered, where Sky's shares are available at a meaningful discount to the Company's view of value and when returning capital offers higher accretion to reinvesting in the business for growth. In the absence of opportunities to invest, we will look to return excess cash to shareholders

Dividends: Sky is targeting increased dividend distributions based on growth in free cash flow. Our policy is to pay out the majority of Free Cash Flow (50% - 80%), excluding one off items, within the context of market conditions and investment opportunities. We will look to pay approximately 40% of the annual dividend by way of an Interim distribution.

Debt: Sky takes a prudent approach to debt. We will not take it on lightly and we have chosen to not use any debt at this stage, with a debt facility in place if that changes

Capital return of \$70m: via Court Sanctioned Return

Delivering a fair and efficient return mechanism to distribute capital

Proposed capital return by way of compulsory share cancellation¹

Notice of meeting distributed	October
Meeting / shareholder vote	2 November 2022
Final High Court orders	expected mid-November
Payment date	expected late-November

All capital return methods were considered, including special dividend, both on-market and off-market share buyback transactions, and the proposed Scheme, as well as combinations of these methods

After careful consideration by the Board, and following advisor and shareholder feedback, a Court Sanctioned Return was selected as the most appropriate way to return a significant sum to shareholders

- ✓ Provides an efficient mechanism, with low execution risk
- ✓ Treats all shareholders equally

Sky will seek a ruling from the Commissioner of Inland Revenue to confirm the proposed return of capital is not in lieu of a dividend. A class ruling from the ATO will also be sought

Reinvestment opportunities

We must maximise our content investment to attract new and diverse audiences, achieve greater scale and further diversify our revenue base

Accelerate
digital
delivery

Accelerate rollout of
the new Sky Box

**Increase speed to
market** for products
and services

Unlock
advertising
opportunities

Pursue **digital
revenue**
opportunities

Invest in **ad tech**

Build out
capability

Partner for **experience
and expertise**

Enhance data strategy
to deliver **deeper
actionable insights**

The image features a background of overlapping geometric shapes in shades of blue and green. The word "sky" is written in a white, lowercase, italicized sans-serif font. To its right, the words "Looking Ahead" are written in a white, uppercase, sans-serif font.

sky Looking Ahead

Outlook and FY23 guidance

\$m	FY23 guidance ¹
Revenue	\$750 - 770m
EBITDA	\$150 - 170m
NPAT	\$50 - 60m
Capex	\$60 - 75m

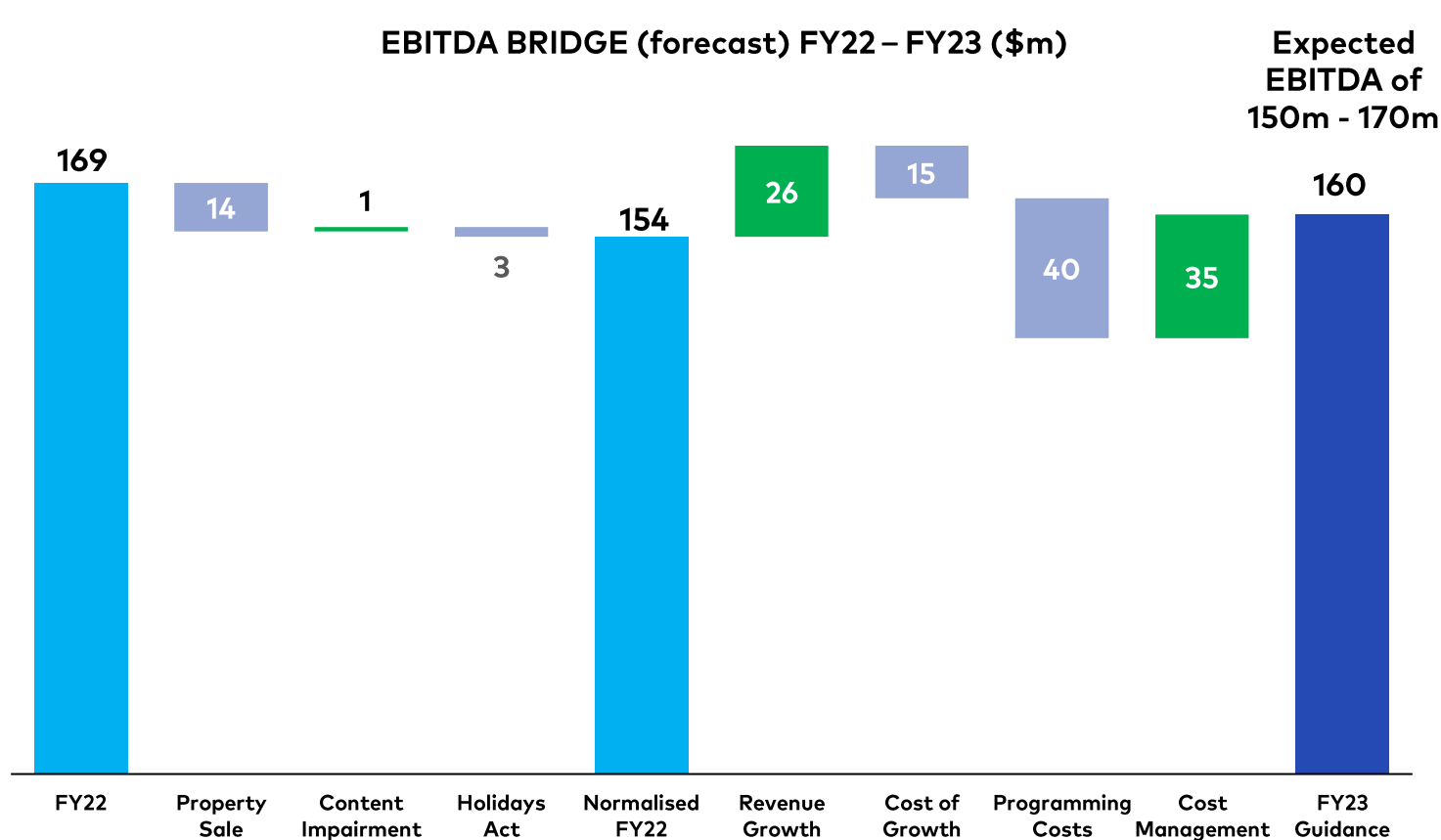
Sky's dividend policy is to distribute between 50% and 80% of Free Cash Flow² (excluding one-off items)

Sky's balance sheet, supported by an undrawn bank facility of \$150 million, is expected to remain strong following the return of capital. Based on delivery of the guidance the Board anticipates paying FY23 dividends at the upper end of the target range and expects total dividends in the range of \$17 to \$23 million in FY23

- FY23 customer relationship growth expected to continue through growth in Neon, Sky Sport Now and Broadband and stabilisation of Sky Box
- FY23 revenue growth expected through customer acquisition, recovery in Commercial and expanded opportunities in Advertising
- Firm focus on costs remains. FY23 will include some step up in rights partly offset by FY22 permanent opex cost out and next phase of cost reduction measures
- Capex will be higher through FY23 and FY24 as we roll out new boxes before reducing thereafter

FY23 EBITDA guidance – bridge from FY22

Normalised EBITDA growth to mid-point of guidance of 4.1%



- Normalised EBITDA growth driven by continued revenue growth and cost control, more than absorbing the expected rights inflation
- Cost of revenue growth is largely associated with Broadband and Streaming products
- FY23 will include some step up in rights associated with new and renewed content deals, partly offset by the full-year benefit of FY22 permanent cost out and next phase of cost out measures
- Next phase of cost out to deliver savings of \$10m - \$20m including further third-party and content optimisation

The image features a background of overlapping geometric shapes in shades of blue and green. The word "sky" is written in a white, lowercase, italicized sans-serif font. To its right, the word "Appendix" is written in a white, uppercase, sans-serif font.

sky Appendix

FY22 Achievements

	Sky's Strategy	FY22 Targets	FY22 Results
FOCUS	CUSTOMERS	• Sky Box customer churn 11.5% – 12.0%	10.0% ✓✓
		• Sky Broadband attachment rate of 3% - 5%	3.3% ✓
		• Grow Neon and Sky Sport Now customers by 10% - 15%	N:14% SSN: 53% ✓✓
		• Average tenure for Neon and Sky Sport Now of 12+ months	N:18 SSN:15 ✓✓
	CONTENT	• Continue to deliver the content that matters to customers • Neon engagement 80%; Sky Sport Now engagement 75%	Achieved N:80% SSN:76% ✓ ✓
CAPABILITY		• Streaming revenue growth of 15% - 25%	27.3% ✓✓
		• Grow new business revenues to 1% - 3% of total revenue	1.9% ✓
		• Revenue growth of \$5m - \$35m p.a. ¹	\$24.9m ✓✓
		• Programming costs return to within 46% - 48% of total revenue ²	49.6% x
		• At least \$22m - \$27m of non-prog. operating cost savings p.a. ³	\$18m x
CREW	• Year on year increases in employee engagement scores	YoY decline ⁴ x	
BEDROCK	Rapid and sustained execution and enabling our people to succeed	• New Sky Box in New Zealand homes by mid-year • 50% - 60% of capex on growth initiatives	Delayed 50% - ✓
	Being efficient, adaptive and profitable business	• Maintain positive free cash flow • Depreciation & amortisation reduced to \$85m - \$95m • Capex spend within 6% to 7% of revenue ⁵	\$42.4m ✓✓ \$80.2m ✓✓ 6.0% ✓

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