

CORPORATE GOVERNANCE

Fairfax has adopted a corporate governance framework that is consistent with the ASX Corporate Governance Council Principles and Recommendations (ASX Recommendations).

The key corporate governance practices of the Fairfax Group are set out below including summaries of the Policy on Market Disclosure and Shareholder Communications, Risk Management Policy and Securities Trading Policy. The Fairfax Constitution, Board Charter, Board Committee Charters, Code of Conduct and Diversity Guidelines are available at <http://www.fairfaxmedia.com.au/Company/corporate-governance>.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

Membership of the Board and its Committees during FY17 is set out below.

DIRECTOR	POSITION	COMMITTEE MEMBERSHIP		
		AUDIT AND RISK	NOMINATIONS	PEOPLE AND CULTURE
N Falloon	Independent Chairman	Member	Chair	Member
G Hywood	CEO/Managing Director	-	-	-
P Allaway	Independent	Member	-	-
J Cowin	Independent	-	-	Member ⁽¹⁾
S McPhee AM	Independent	-	-	Chair
J Millar AM	Independent	Member	Member	-
L Nicholls AO	Independent	Chair	Member	-
M Rosen ⁽²⁾	Independent	-	-	-
T Sampson	Independent	-	-	Member ⁽³⁾
M Anderson ⁽⁴⁾	Independent	-	-	Member

(1) Resigned as a Member on 8 December 2016.

(2) Appointed as a Director on 1 March 2017.

(3) Appointed as a Member on 8 December 2016.

(4) Retired as a Director on 5 August 2016.

The qualifications, experience, term of office and other details of each member of the Board are set out on pages 21 to 23.

The number of Board and Committee meetings held during FY17 and each Director's attendance at these meetings are set out in the Directors' Report on page 26.

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INDEPENDENCE OF DIRECTORS

Under the Board Charter, the majority of the Board and the Chair must be independent. A Director must notify the Company about any conflict of interest, potential material relationship with the Company or circumstance relevant to his/her independence.

Directors are required to bring views and judgement to Board decisions independent of management and free of any business or other circumstances that might interfere with their independent judgement in the best interests of the Company and its shareholders.

The Board has determined that all Directors except the Chief Executive Officer (CEO) are independent. In assessing whether a Director is independent, the Board has considered Directors' obligations to shareholders, the requirements of applicable laws and regulations, criteria set out in the Board Charter and the ASX Recommendations. The Board makes its decisions on a case-by-case basis and determines whether particular factors or prior relationships might reasonably be seen to interfere, with the Director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of Fairfax and its shareholders generally. Where appropriate, external advice is sought to assist the Board's assessment.

Patrick Allaway, via his corporate advisory and funds management business, Saltbush Capital Markets, provided services to the Fairfax Group over the three years prior to his appointment to the Board in April 2016. Payment for these services was on arms length commercial terms:

- FY16 - \$27,500;
- FY15 - \$310,750;
- FY14 - \$115,500.

This consultancy relationship has terminated prior to his appointment and Mr Allaway no longer has any relationship with the Fairfax Group other than as a Director. Notwithstanding this prior commercial relationship, the Board considers Mr Allaway to be an independent Director because the nature of his consultancy was to provide independent advice. The Board does not view this prior relationship as one which interferes with Mr Allaway's capacity to bring independent judgement to bear on issues before the Board or his capacity to bring independent judgement to issues before the Board or to act in the best interests of the Fairfax Group and its shareholders.

ROLE OF THE BOARD

The Board of Directors is responsible for the long-term growth and profitability of the Fairfax Group.

The Board has adopted a Board Charter which sets out the responsibilities of the Board and its structure and governance requirements. Under the Board Charter, the primary responsibilities of the Board include:

- (a) setting the strategic direction of the Fairfax Group to create value for shareholders;
- (b) approving performance targets for the Fairfax Group and monitoring the achievement of those targets;
- (c) providing overall policy guidance and monitoring processes aimed to ensure that corporate governance and risk management are in place and followed;
- (d) monitoring compliance with regulatory obligations and ethical standards;
- (e) setting and monitoring the Fairfax Group's programs for succession planning and key executive development;
- (f) approving acquisitions and disposals of assets, businesses and expenditure above set monetary limits;
- (g) approving the issue of securities and entry into material finance arrangements, including loans and debt issues;
- (h) setting the appointment, tenure and conditions of employment of the CEO; and
- (i) approval of public statements which reflect significant issues of Fairfax policy, finance, strategy or business outcomes.

CORPORATE GOVERNANCE

DELEGATION TO SENIOR MANAGEMENT

Subject to the Board's reserved powers and to the authorities delegated to the Board Committees, the Board has delegated to the CEO responsibility for the management and operation of the Fairfax Group. The CEO is responsible for the day-to-day operations, financial performance and administration of the Fairfax Group within the powers authorised to him from time-to-time by the Board. The CEO may further delegate within the delegations specified by the Board. The CEO is accountable to the Board for the exercise of those delegated powers.

DIRECTOR APPOINTMENT, ROTATION AND SUCCESSION PLANNING

The Company's Constitution authorises the Board to appoint Directors to fill casual vacancies and to elect the Chair. Any Director appointed by the Board must stand for election at the next Annual General Meeting of shareholders.

One third of Directors (excluding the CEO and any Director appointed to fill a casual vacancy, and rounded down to the nearest whole number) must retire at every Annual General Meeting. In addition, no Director (other than the CEO) may remain in office for more than three years or beyond the third Annual General Meeting following appointment without retiring and being re-elected by shareholders.

The Company provides shareholders with information that is material to a shareholder's decision regarding whether to elect or re-elect a Director.

The Nominations Committee assists the Board to identify potential candidates for appointment to the Board, as required.

As part of the process for identifying potential Director candidates, the Board undertakes background checks. Where appropriate, the Board seeks external advice on suitable candidates.

All new Directors receive an appointment letter setting out the terms of their appointment including details of their role, Committee memberships (if any), re-election requirements and their expected time commitments.

DIRECTOR INDUCTION AND CONTINUING EDUCATION

The Company provides an induction program for all new Directors. As part of this program, a comprehensive induction pack is provided containing materials to enable the Directors to understand their rights, duties and responsibilities as a Director of the Company. Meetings between key management and the new Director are scheduled so that the Director has an opportunity to further develop his or her understanding of the Company's businesses, key issues, strategy and operations.

The Board's development activities aim to provide regular updates on each of the Fairfax Group's significant activities and industry trends. Regular presentations are made by senior management and, where appropriate external experts.

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

Any Director may seek independent professional advice at the Company's expense. Prior approval by the Chair is required, but this approval must not be unreasonably withheld.

BOARD COMMITTEES

NOMINATIONS COMMITTEE

The Board Nominations Committee operates under a formal Charter.

The primary responsibilities of the Committee include:

- to make recommendations to the Board from time to time for changes that the Committee believes to be desirable to the size or composition of the Board;
- to identify individuals believed to be qualified to become Board members and to recommend such candidates to the Board. In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgement, skill, diversity, the candidates independence as measured against the criteria set out in the Board Charter, experience with businesses and other organisations of comparable size and nature, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any Committees of the Board;
- to identify Board members qualified to fill vacancies on any Committee of the Board (including the Nominations Committee) and to recommend that the Board appoint the identified member or members to the respective Committee;
- to recommend to the Chairman of the Board the appropriate process for evaluation of the performance of each director and the Board as a whole; and
- any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and Committee members, or corporate governance.

The Committee is comprised solely of independent Non-Executive Directors.

CORPORATE GOVERNANCE

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee operates in accordance with a Charter which sets out its role and functions.

The primary responsibilities of the Committee include to:

- recommend to the Board the appointment of the external auditor, review its performance independence and effectiveness, approve the auditors' fees arrangements and enforce the company's Charter of Audit Independence;
- ensure that appropriate systems of control are in place to effectively safeguard the value of the Company's assets;
- ensure accounting records are maintained in accordance with statutory and accounting requirements;
- formulate policy for Board approval and oversee the key finance and treasury functions;
- formulate and oversee an effective business risk plan;
- ensure that appropriate policies and procedures are in place with the goal to ensure compliance with all regulatory requirements;
- monitor the entity's compliance with all regulatory and ethical requirements;
- identify and monitor current and emerging corporate social responsibility trends, risks and opportunities and ensuring that the Board is kept up to date with market and investor expectations on corporate social responsibility activities;
- oversee the Group's compliance with corporate governance and legal requirements in relation to corporate social responsibility issues and related reporting;
- ensure there is an appropriate framework for compliance with all legal and Australian Securities Exchange requirements;
- review the external audit process with the external auditor including in the absence of management;
- review the performance of internal audit and have input into the performance review and remuneration of the Internal Audit Manager;
- recommend to the Board the appointment and dismissal of the Internal Audit Manager;
- review and approve the internal audit plan;
- receive internal audit summaries of significant reports prepared by internal audit;
- meet with the Internal Audit Manager, including in the absence of management if considered necessary; and
- deal with such matters as the Committee deems necessary to carry out the functions set out above.

Under its Charter, all members of the Committee must be Non-Executive Directors. The Chair of the Committee is required to be independent and have relevant financial expertise and may not be the Chair of the Board.

PEOPLE AND CULTURE COMMITTEE

The Board People and Culture Committee, operates under a formal People and Culture Committee Charter.

The primary responsibilities of the Committee are to:

- oversee the development and implementation of the human resources strategy with reference to the appropriate resources, policies and procedures that are in place or being developed to support the achievement of the Company's strategy;
- promote a safe working culture;
- drive high performance in executives and management by providing effective policies and programs (including remuneration) having regard to the creation of value for shareholders and the external market;
- undertake the appropriate performance management, development planning and succession management programs to enable talented, motivated and engaged people to be available to achieve the Company strategy;
- oversee the direction for the Fairfax Group's commitment to building a sustainable future for the Fairfax Group which includes operating its business sustainably (financially and otherwise), responsibly and ethically;
- comply with the relevant listing rules, legal and regulatory body requirements, and good governance practices; and
- report to shareholders in line with required legislation and standards.

Under its Charter all members of the Committee must be independent Non-Executive Directors.

CORPORATE GOVERNANCE

COMPANY SECRETARY

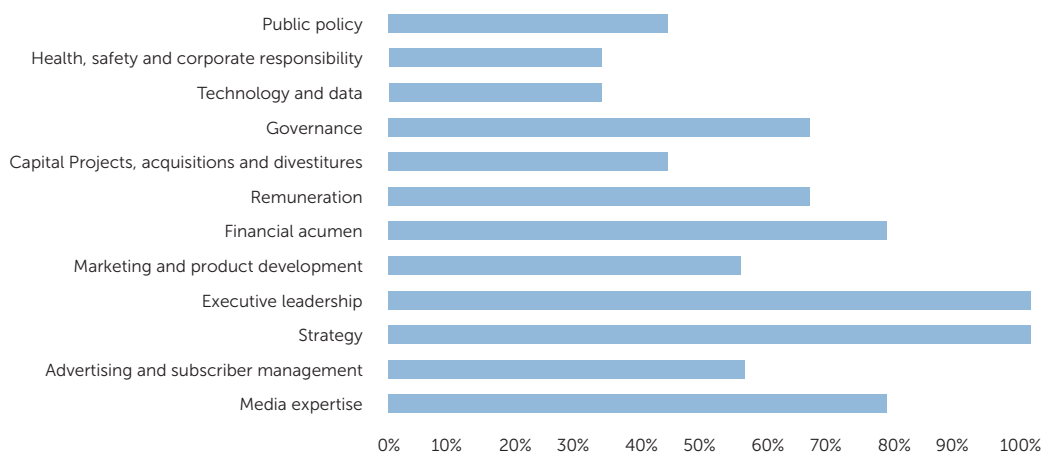
The Company Secretary is accountable to the Board through the Chairman on all matters relating to the proper functioning of the Board. The qualifications and experience of the Company Secretary are set out on page 25.

PERFORMANCE EVALUATION

BOARD SKILLS

The Board benefits from the combination of the different skills, experiences and expertise that Directors bring to the Board and the insights that result from this diversity.

The following chart summarises the skills, attributes and experience of the Company's Directors. Percentages are determined as at the date of this report.



Media Expertise: Expertise and experience in the media industry at a senior level.

Advertising and subscriber management: Expertise and experience at a senior level in advertising, advertising sales and subscriber and customer management.

Strategy: Expertise in the development and implementation of strategic plans and risk management to deliver investor returns over time.

Executive leadership: Experienced and successful leadership at a senior executive level of large organisations.

Marketing and product development: Expertise and senior executive experience in marketing and new media marketing metrics and tools.

Financial acumen: Expertise in understanding financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls.

Remuneration: Experience in remuneration design to drive business success.

Capital projects, acquisitions and divestitures: Experience in evaluating and implementing projects involving large-scale financial commitments, investment horizons and major transactions.

Governance: Knowledge and experience of high standards of corporate governance, including ASX Listing Rules and practices.

Technology and data: Expertise and experience in the adoption of new technology and technology projects and in the use of data and data analytics to drive successful sales, marketing and business development.

Health, safety and corporate responsibility: Expertise related to workplace health and safety, environmental, community and social responsibility.

Public policy: Experience in public and regulatory policy, including how it affects corporations.

EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Board conducts a review of its structure, composition and performance annually. Performance evaluations of all individual Directors, the Board and each Committee, as well as governance processes that support the Board's work, are reviewed on a regular basis. This review process may include discussions between the Chairman and each Director individually and the Board together, and the Board may seek external advice to assist in the review process from time-to-time.

Performance reviews of the Board, its Committees and Directors were conducted in FY17. As part of this review, the Chairman conducted discussions with each member of the Board individually and the Board together regarding the performance of the Board and its Committees and Board succession plans.

SENIOR EXECUTIVES

Fairfax's senior executives are employed under individual employment contracts setting out the terms of their employment.

Senior management performance reviews are undertaken each year. The executive's performance is measured against his or her KPIs set at the beginning of the year. The CEO undertakes performance reviews with each of his direct reports. The CEO's performance review is undertaken by the Chairman in consultation with the Board. In accordance with this process, performance evaluations were conducted during FY17.

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REMUNERATION

Information about the Company's remuneration policies and practices for Non-Executive Directors, the CEO and other senior executives, and their remuneration during FY17, are set out in the Remuneration Report on pages 29 to 48.

RISK MANAGEMENT AND INTEGRITY OF FINANCIAL REPORTING

RISK MANAGEMENT FRAMEWORK

The Board oversees the risk management and internal compliance and control system of the Fairfax Group.

The risk management process seeks to provide a consistent approach to identifying, assessing, and reporting risks, including those related to Company performance, reputation, safety, environment, internal control, compliance and other risk areas.

The Company's risk framework is overseen and monitored by both the Board and the Audit and Risk Committee.

Key aspects of the Company's risk management and internal compliance and control system are summarised as follows:

- the Board, with the support of the Audit and Risk Committee, annually assesses the risk management framework to satisfy itself that it continues to be sound;
- risks are assessed at least annually and revised periodically for each division through the business planning, budgeting, forecasting, reporting, internal audit and performance management processes;
- the Board, through the Audit and Risk Committee, receives regular reports from management (and independent advisers where appropriate) on key risk areas such as treasury, health, safety and environment, regulatory compliance, taxation, finance and internal audit and the effectiveness of the risk management system;
- formal risk assessments are required as part of business case approvals for projects or initiatives of a significant nature. Project teams are responsible for managing the risks identified and all material projects are further monitored by the senior management group; and
- under the direction of the Audit and Risk Committee, Internal Audit conducts a program of internal process control reviews over key areas, based on the materiality of the process to the Fairfax Group. Internal Audit also provides assurance over the internal control assessments undertaken by management.

As part of the risk framework, specific policies and approval processes have been developed to cover key risk areas such as material investments and contracts, treasury, capital expenditure approval, occupational health and safety and environmental processes.

During FY17, the Board assessed the risk management framework and is satisfied that it continues to be sound.

INTERNAL AUDIT

The Company's Internal Audit function comprises the Manager, Corporate Risk and Assurance and a team of professionals who work through a schedule of prioritised risk areas across all the major business units to provide an independent risk assessment and evaluation of operating and financial controls. The Internal Audit and Risk function is independent from the external auditor and the Manager, Corporate Risk and Assurance meets with the Audit and Risk Committee in the absence of management as required. Internal Audit and Risk reports its results to the Audit and Risk Committee. The Manager, Corporate Risk and Assurance attends Committee meetings.

MATERIAL RISKS

The Company assesses material exposure to economic, environmental and social sustainability risks on an annual basis and determines how they are to be managed.

Like all media companies globally, the Company is subject to the ongoing structural shift away from print advertising and fragmentation of the advertising market.

Fairfax has taken strategic action to transform its business in the face of these challenges. The Company addresses the issues of financial, social and environmental sustainability in its Sustainability Report beginning on page 11.

CORPORATE GOVERNANCE

DECLARATIONS FROM THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Board receives written declarations from the CEO and the Chief Financial Officer (CFO) in relation to the half-year and full-year that in their opinion:

- (a) the financial statements and associated notes comply in all material respects with the accounting standards as required by the Corporations Act 2001 (Cth) (Corporations Act);
- (b) the financial statements and associated notes gives a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Company in accordance with Australian Accounting Standards and the Corporation Act 2001, and is free of material misstatements, including omissions;
- (c) the financial records of the Company have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the Corporations Act 2001 have been properly kept and are up-to-date; and
- (d) that the statements made above are founded on a sound system of financial risk management and internal compliance and control, which is operating effectively.

These declarations to the Board are underpinned by the requirement for appropriate senior executives to provide a signed letter of representation addressed to the CEO and CFO verifying material issues relating to the executive's areas of responsibility and disclosing factors that may have a material effect on the financial results or operations of the Fairfax Group.

CHARTER OF AUDIT INDEPENDENCE

The Board has a Charter of Audit Independence. The purpose of this Charter is to provide a framework for the Board and management to ensure that the external auditor is independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders with reliable and clear financial reports on which to base investment decisions. The Charter sets out key commitments by the Board and procedures to be followed by the Audit and Risk Committee and management that aim to set a proper framework of audit independence.

CODE OF CONDUCT

All Directors, managers and employees are required to act honestly and with integrity.

The Company has developed and communicated to all employees and Directors the Fairfax Code of Conduct. The Code aims to uphold ethical standards and the conduct of business in accordance with applicable laws and ethical standards. The Code sets out the responsibility of individuals for reporting Code breaches.

The Fairfax Code of Conduct aims to:

- provide clear guidance on the Company's values and expectations of all representatives of Fairfax;
- promote ethical behavioural standards and expectations across the Fairfax Group, all business units and locations;
- offer guidance for shareholders, customers, readers, suppliers and the wider community on the Company's values, standards and expectations, and what it means to work for Fairfax; and
- raise employee awareness of acceptable and unacceptable behaviour and provide a means to assist in avoiding any real or perceived misconduct.

Supporting the Code of Conduct is the Company's range of guidelines and policies. These policies are posted on the Company intranet, are communicated to employees at the time of employment and are reinforced by training programs.

The Code of Conduct is to be read in conjunction with the codes of ethics for each masthead and the other Fairfax policies as amended from time to time.

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MARKET DISCLOSURE AND SHAREHOLDER COMMUNICATIONS

The Company has a Policy on Market Disclosure and Shareholder Communications which sets out requirements aimed to ensure full and timely disclosure to the market of material issues relating to the Fairfax Group to ensure that all stakeholders have an equal opportunity to access information.

MARKET DISCLOSURE

The Policy reflects the ASX Listing Rules and Corporations Act continuous disclosure requirements.

The Policy requires that the Company notify the market, via the ASX, of any price sensitive information (subject to the exceptions to disclosure under the Listing Rules). Information is price sensitive if a reasonable person would expect the information to have a material effect on the price or value of the Company's securities or if the information would, or would be likely to, influence investors in deciding whether to buy, hold or sell Fairfax securities.

The CEO, CFO and Group General Counsel/Company Secretary are designated Disclosure Officers. They are responsible for reviewing potential disclosures and, in consultation with the Chairman and the Board, deciding what information is disclosed.

Only the Disclosure Officers may authorise communications on behalf of the Company to the ASX, media, analysts and investors. This safeguards the premature exposure of confidential information and aims to ensure proper disclosure is made in accordance with the law. ASX and press releases of a material nature must be approved by a Disclosure Officer.

The Disclosure Officers, in conjunction with the Chair of the Board, are authorised to determine whether a trading halt will be requested from the ASX to prevent trading in an uninformed market.

The onus is on all staff to inform a Disclosure Officer of any price sensitive information as soon as becoming aware of it. The Executive Leadership Team is responsible for ensuring staff understand and comply with the Policy.

SHAREHOLDER COMMUNICATIONS

The Company actively encourages timely and ongoing shareholder communications and operates an investor relationships program that facilitates two-way communications with investors.

To ensure ready access for shareholders to information about the Company, Company announcements, Annual Reports, analyst and investor briefings, financial results and other information useful to investors such as press releases are placed on the Company's website at www.fairfaxmedia.com.au as soon as practicable after their release to the ASX (where release is required). Several years' worth of historical financial information is available on the website. Webcasts and recordings of results announcements and investor briefings can be accessed on the website for a period of time.

The full text of Notices of Meetings and the accompanying explanatory materials are posted on the website for each Annual General Meeting. The Chair's and the CEO's addresses, proxy counts and results of shareholder resolutions at the meeting are also posted on the website as soon as practicable after their release to the ASX.

At the Annual General Meeting, shareholders are encouraged to ask questions and are given a reasonable opportunity to comment on matters relevant to the Company. The external auditor attends the Annual General Meeting and is available to answer shareholder questions about the audit and the Auditor's Report.

Shareholders are also able to send communications to, and receive communications from, Fairfax and its share registry electronically.

TRADING IN COMPANY SECURITIES

Fairfax has adopted a Securities Trading Policy, which regulates dealings in Fairfax securities by Directors and senior employees to ensure that trading only occurs when the market is fully informed. The Policy sets out blackout periods when no trading is to be undertaken by Directors and senior employees and a process for authorisation of trading at other times.

The Policy also prohibits Directors and senior employees from entering into any financial transactions that operate to limit the economic risk of unvested Fairfax securities which have been allocated to an employee as part of his/her remuneration, prior to the securities vesting. Any breach of this prohibition risks disciplinary sanctions.

CORPORATE GOVERNANCE

DIVERSITY

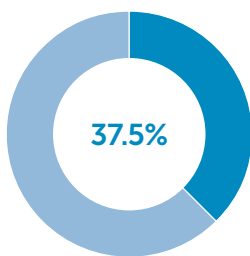
Fairfax is committed to creating a workplace that is fair and inclusive and reflects the diversity of the communities in which we operate. Fairfax values, respects and encourages diversity of Board members, employees, customers and suppliers. The Company believes diversity includes but is not limited to age, gender, race, ethnicity, religion, or sexuality. Accordingly, Fairfax has adopted Diversity and Inclusion Guidelines to establish the framework within which it will promote diversity and inclusion, including the requirement for the People and Culture Committee to endorse measurable objectives for the year and to annually review the objectives and progress towards achieving them.

Fairfax recognises the importance of its employees and aims to attract, motivate, retain and engage high performing employees. The Company recognises that each employee brings their own unique capabilities, experiences and characteristics to their work, and values such diversity at all levels of the Company in all that it does.

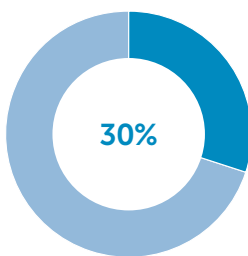
Encouraging diversity and inclusion broadens the pool for the recruitment of talented employees, enhances retention and supports innovation. Increasing the focus on high quality employees supports the Company to improve its financial performance and achieve its strategic objectives.

Last year, the Company set a new target of achieving 35% of females in senior management positions by 2018. The representation of females at a senior level has marginally declined over the past year.

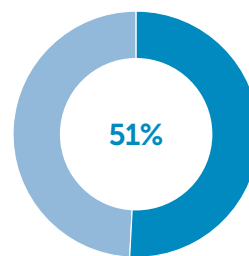
The Company's workforce gender demographics were:



PROPORTION OF WOMEN WHO ARE NON-EXECUTIVE DIRECTORS ON THE BOARD



PROPORTION OF WOMEN WHO ARE IN SENIOR MANAGEMENT



PROPORTION OF WOMEN ACROSS ORGANISATION

Fairfax continues to focus on gender diversity, and in 2016 Greg Hywood (CEO) joined the Male Champions of Change (MCC) Institute, established in 2010 by Elizabeth Broderick, the former Sex Discrimination Commissioner. The movement for gender equality has historically been a struggle for women by women. Engaging influential men to step up beside women to take action on gender inequality presents an untapped opportunity. The CEO will continue to be an advocate and champion for redefining the role men play in taking action on gender inequality at Fairfax.

Recognising the significance of domestic violence in our communities and the need to support all affected employees, Fairfax introduced a Domestic Violence Awareness Program in 2016 and a Domestic & Family Violence Policy in 2017. The program focused on four key areas: policy, education, awareness and accreditation. The policy outlines measures in place to support and assist employees in the workplace. This is in addition to the support provided by the Employee Assistance Program (EAP), The Fairfax Media Helpline (FMHelp) and The Fairfax Foundation during times of crisis.

The Company continues to run the annual Fairfax Women of Influence Awards launched in 2013. The award recognises and celebrates exceptional women from right across Fairfax who use their influence to achieve great things. In 2016, the awards comprised of five categories: agenda setter, emerging leader, customer centric leader, leadership champion, and innovation champion. The judging panel included members of the Board Executive team. The program continues to raise the leadership profiles of females across the business.

Fairfax has continued in its efforts to have a senior female included in all panels for senior executive roles and at least one female candidate in the shortlist for senior roles.

A number of employment terms are in place to positively impact on women's participation in the workforce, such as flexible working arrangements. The Company has submitted and is compliant with the Workplace Gender Equality Act 2012 report in Australia.

This Corporate Governance Statement is current as at 16 August 2017 and has been approved by the Board of Fairfax.

OUR APPROACH TO TAX

Fairfax is committed to managing taxes in a sustainable manner with regard to the commercial and social imperatives of our business and stakeholders. The Company operates under a Board approved Tax Corporate Governance framework which is designed to ensure taxes are managed in compliance with tax law. The Board does not sanction or support any activities which seek to aggressively structure the Company's tax affairs.

Fairfax has committed to the adoption of the principles contained in the Board of Taxation's Voluntary Tax Transparency Code for FY17. In accordance with this Code, the Company will publish details of the taxes it pays in its Tax Paid Report, on its website <http://www.fairfaxmedia.com.au/company/corporate-governance>, as soon as the report is available.