

3 February 2017

BOARD RECEIVES INDEPENDENT REPORT ON MISCONDUCT CLAIMS

Allegations made by a former employee of misconduct by the Seven West Media ("SWM") CEO, Tim Worner, were released to the media in late December 2016 (the "Statement").

Given the seriousness of the allegations involved the Board sought that an urgent and thorough independent review be conducted.

The review was conducted by Richard Harris, a litigation and investigations partner at Allens Linklaters¹, and included interviews with key current and former executives and employees relevant to the allegations. The former employee, Ms Harrison, was also interviewed as part of the thorough review.

The review looked into each of the key allegations of misconduct contained in the Statement including: the payment of a bonus to Ms Harrison; the circumstances of the investigation into her corporate credit card expenses; the corporate credit card expenses of Mr Worner and other allegations of drug use and their personal yet inappropriate relationship, which concluded in 2014; and allegations of other inappropriate staff relationships by Mr Worner.

The Board has now received and reviewed Mr Harris' report and has considered all relevant circumstances. The Board has concluded that the allegations of misconduct by Mr Worner have not been substantiated as the Board is satisfied that:

- the company's identification of significant credit card misuse by Ms Harrison was not instigated by, or on behalf of, Mr Worner or his office and they had no involvement in the investigation.
- Mr Worner did not influence, nor play any role, in the awarding of the bonus to Ms Harrison other than signing the letters which informed her, and other Executive Assistants, of their bonus.
- company funds were not deployed in furthering the relationship by Mr Worner or with his approval. There were no irregularities in Mr Worner's corporate credit card use.
- the strong and vehement denials by the four employees falsely accused of having an inappropriate relationship with Mr Worner are accepted without reservation and cast doubt on the veracity of other accusations.
- the allegations of illicit drug use by Mr Worner could not be substantiated.
- Mr Worner did not have any involvement in the way the company dealt with Ms Harrison after the relationship between them became known by the company.

This has been a tumultuous time for the entire company and with the receipt of the independent review this matter can now be brought to a conclusion.

The Board is aware that there were a number of communications that passed between Mr Worner and Ms Harrison that were of a highly personal nature that used language and expressed concepts that the Board finds totally objectionable. However, the Board is of the view that the communications were consensual, personal and private in nature and were only disclosed as a result of a breach of express confidentiality obligations.

¹ A copy of Mr Harris' CV can be found at <http://www.allens.com.au/experts/cv.asp?ID=RichardHarris&where=aar&search=true>

The Board has at all times made clear to Mr Worner that while the relationship, which concluded in July 2014, was personal and consensual, it was inappropriate given his senior position in the company and not behaviour condoned by the company. Mr Worner has been disciplined by the Chairman and the Board and provided an undertaking this behaviour will not be repeated, as well as an apology.

However, the Board has concluded following the receipt of the independent report there are no grounds to take any further disciplinary action against Mr Worner beyond the action which was taken in 2014 when the Company became aware of the inappropriate relationship.

The Board has addressed all the issues that have been raised and is confident that Mr Worner will continue to run the company in the interests of all shareholders.

The final report provided to it by Allens Linklaters is subject to legal privilege and therefore cannot be made public.

Ends.