

The Charter provides a summary of the role of the Board of Directors in the business structure and operations of JB Hi-Fi. It should be read in conjunction with JB Hi-Fi's Corporate Governance Guidelines which provide a detailed framework for the governance of the company.

The Board is constituted and empowered pursuant to the Constitution of the company and the Corporations Act.

1. Values

The values of the company are trust, honesty and integrity. The Board carries out the legal duties of its role in accordance with those values and having appropriate regard to the interests of the company's customers, staff, shareholders and the broader community in which it operates.

2. Role

2.1 The Board is responsible for:

- Corporate governance of the company, including the establishment and empowerment of Committees of the Board to assist in its functions;
- Overseeing the business and affairs of the company by -
 - i. establishing, with management, the strategies and financial objectives to be implemented by management;
 - ii. reviewing and, where appropriate, approving the company's financial objectives and major corporate plans and actions;
 - iii. approving capital expenditure in excess of limits delegated to management;
 - iv. approving capital management initiatives;
 - v. ensuring that adequate procedures are in place to identify the principal risks of the company's business and ensure the implementation of appropriate systems to manage these risks;
 - vi. monitoring the performance of management directly and through its committees; and
 - vii. carrying out the functions specifically reserved to the Board and its committees under the policies of the Board and the charters of those committees.
- Communicating with the company's shareholders and the community, at the appropriate times, the results of, and developments in, the business operations of the company.
- Selecting, appointing and regularly evaluating the performance of, determining the remuneration of, and planning for the successor of the Chief Executive Officer.
- Approving the company's major HR policies and overseeing the development strategies for senior and high performing executives.
- Allotment of securities in the company.
- Performing such other functions as are prescribed by law, or assigned to the Board.
- Ensuring that appropriate procedures are in place so that the business of the company is conducted in an honest, open and ethical manner.

- Establishing a formal and transparent procedure for the selection and appointment of new directors to the Board.
- Regularly reviewing the succession plans in place for membership of the Board to ensure that an appropriate balance of skills, experience and expertise is maintained.
- Instituting internal procedures for evaluating the performance of:
 - (a) the Board;
 - (b) individual directors; and
 - (c) the Board committees.
- Reviewing the time commitment required from a non-executive director and whether non-executive directors are meeting this requirement.

2.2 The Board of Directors also has power to:

- initiate and adopt corporate plans, commitments and actions;
- initiate and adopt changes in accounting principles and practices;
- provide advice and counsel to the Chief Executive Officer;
- instruct and review the actions of any committee and/or the Chief Executive Officer;
- make recommendations to shareholders;
- direct the management of the company's businesses;
- meet from time to time without management being present; and
- act as to all other corporate matters not requiring shareholder approval.

3. **Functions**

In carrying out its role, the Board will operate in a manner reflecting the company's values and in accordance with its agreed Corporate Governance Guidelines, the company's constitution, the Corporations Act and other applicable regulations.

4. **Delegations**

Subject to the Board's ultimate responsibility for oversight under paragraph 2.1, the Board may delegate to its committees, a director or any other person in authority to perform any of its functions and exercise any of its powers.

5. Matters specifically reserved to the Board

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

The following matters are reserved to the Board:

Board and Management

- Nomination and remuneration of directors.
- Appointment of Chairman.
- Appointment and remuneration of the Chief Executive Officer and other executive directors.
- Membership and terms of reference of Board committees.
- Assessment of Board, Chief Executive Officer's and other executive directors' performance.
- Matters referred to the Board by Board committees.
- Corporate governance matters relating to the Board of Directors and senior management, and matters of principle regarding corporate governance.

Secretarial and Other

- Calling of shareholders' meetings.
- Delegation of the Board's powers.
- Allotment, calls or forfeiture of shares.
- Disclosure of directors' interests.
- Major litigation.
- Continuous disclosure and due diligence obligations to the public.
- Related party transactions.
- Insider trading.
- Employee share plans.