

# Update on Historic Remuneration Practices

## Frequently Asked Questions

24 March 2022

### **Q: What caused the underpayment?**

Although the historical causes are different in each of the entities which now make up the Foxtel Group, the primary issues relate to the incorrect application of employee entitlements.

### **Q: Have you fixed it?**

HR information systems, payroll systems and processes across the Group are being enhanced. We will have ongoing checks/reviews in place to ensure our HR and payroll systems, including processes, are up to date and compliant.

In terms of the historical issues, we are identifying all employees' underpayments and having this validated by independent experts.

We expect remediation for current employees covering the amount underpaid plus interest should be underway next week, and the majority will be completed by the end of April. For complex cases and past employees, this may take a little longer.

For past employees, when we have the necessary feedback from the Fair Work Ombudsman in the coming months, we will be writing to every affected former employee to let them know what's happened, confirm their latest banking details, and then arrange to pay them. Ensuring these payments are made as soon as possible is a priority for us.

### **Q: How many people are affected?**

Around 300 of our current employees are affected and approximately 1,900 former employees. The larger group of former employees affected reflects employee turnover and rationalisation since 2014 over which time many thousands of people have been part of the Foxtel Group.

### **Q: Why did you start examining this issue?**

Having seen other major companies with underpayment issues, we proactively commenced an audit of the Foxtel Group's compliance with employee entitlements obligations in late 2020. The audit identified potential issues, and in 2021 we conducted a broader, more detailed review of compliance with employee entitlement obligations with the assistance of external experts.

### **Q: How long have you known about the issue?**

We have been aware of potential issues since late 2020. These are complex to review given the different historical entities which now make up the Foxtel Group. We are still working to finalise validation and calculations, given the complexity of the issue.

### **Q: Why have you only gone back to FY14?**

The review goes back seven years, ensuring we cover our legal obligations.

### **Q: Why is the remediation period only until the end of November 2020?**

Once we identified these issues (in December 2020), we started looking at payroll data and information available that was current to that point in time. We will review the period from December 2020 and make any required back payments later in the year.