

# NOTICE OF ANNUAL GENERAL MEETING 2017



APN NEWS & MEDIA LIMITED  
ABN 95 008 637 643

**Notice is given that the Annual  
General Meeting of APN News & Media  
Limited (the Company) will be held at the  
Establishment Ballroom,  
252 George Street, Sydney NSW 2000  
on Thursday 4 May 2017 at 10.00am**

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## ORDINARY BUSINESS

### 1. Financial Statements

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2016.

### 2. Re-election of Directors

#### Item 2(a) – Peter Cullinane

To consider and, if thought fit, pass the following as an ordinary resolution:

- (a) "That Peter Cullinane, who retires as a Director by rotation under the Constitution and the ASX Listing Rules, and being eligible for re-election, be re-elected as a Director of the Company."

#### Item 2(b) – Anne Templeman-Jones

To consider and, if thought fit, pass the following as an ordinary resolution:

- (b) "That Anne Templeman-Jones, who retires as a Director by rotation under the Constitution and the ASX Listing Rules, and being eligible for re-election, be re-elected as a Director of the Company."

### 3. Remuneration Report (non-binding resolution)

To consider and, if thought fit, pass the following as an ordinary resolution:

"That the Company's Remuneration Report for the year ended 31 December 2016 be adopted."

This resolution is advisory only and does not bind the Directors or the Company.

A voting exclusion applies to this resolution 3.

### 4. Grant of Deferred Rights to the CEO & Managing Director

To consider and, if thought fit, pass the following as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue of 209,073 deferred rights to Mr Ciaran Davis, CEO & Managing Director, in relation to the Company's FY16 Total Incentive Plan award, on the terms summarised in the Explanatory Notes."

A voting exclusion applies to this resolution 4.

## SPECIAL BUSINESS

### 5. Change of Company Name and Constitution

To consider and, if thought fit, pass the following as a special resolution:

"That, for the purposes of sections 157(1)(a) and 136(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and for all other purposes, the Company adopt HT&E Limited as its new name and all references to the Company's name within the Constitution be amended to reflect the Company's new name."

### 6. Financial Assistance

#### Item 6(a) – Approval of Financial Assistance

To consider and, if thought fit, pass the following as a special resolution:

"That, in accordance with sections 260A and 260B(2) of the *Corporations Act*, the shareholders approve the provision of financial assistance by Australian Outdoor Pty Limited ABN 12 077 488 950 (formerly known as Clear Channel Outdoor Pty Limited) (**Adshel Aust Head Co**) and/or its subsidiaries (**Adshel Aust Head Co** and its subsidiaries each an **Adshel Group Company**) in connection with the acquisition by the Company of all of the issued shares in **Adshel Aust Head Co** (**Adshel Acquisition**) and all elements of that transaction that may constitute financial assistance by **Adshel Aust Head Co** and each other **Adshel Group Company** for the purposes of the *Corporations Act* in connection with the **Adshel Acquisition** described in the Explanatory Notes."

#### Item 6(b) – Approval of Financial Assistance

To consider and, if thought fit, pass the following as a special resolution:

"That, in accordance with sections 260A and 260B(2) of the *Corporations Act*, the shareholders approve the provision of financial assistance by **Conversant Media Pty Ltd** ABN 66 125 644 448 (**Conversant Head Co**) and/or its subsidiaries (**Conversant Head Co** and its subsidiaries each a **Conversant Group Company**) in connection with the acquisition by the Company of all of the issued shares in **Conversant Head Co** (**Conversant Acquisition**) and all elements of that transaction that may constitute financial assistance by **Conversant Head Co** and each other **Conversant Group Company** for the purposes of the *Corporations Act* in connection with the **Conversant Acquisition** described in the Explanatory Notes."

## VOTING EXCLUSION STATEMENT

### For Item 3 (Remuneration Report) and Item 4 (Grant of Deferred Rights to the CEO & Managing Director)

A vote cast on the resolution in Item 3 (Remuneration Report) must not be cast (in any capacity) by or on behalf of the following:

- a member of the Key Management Personnel (being those persons described as Key Management Personnel (KMP) in the Company's Remuneration Report and including all Directors); or
- a Closely Related Party (as defined in the Corporations Act) of such a member.

The Company will disregard any votes cast on the resolution in Item 4 (Grant of Deferred Rights to the CEO & Managing Director) by or on behalf of Mr Ciaran Davis and any of his associates (as defined in the Corporations Act), regardless of the capacity in which the vote is cast.

However, a person described above may cast a vote on the resolutions in Item 3 and Item 4 if:

- the person does so as proxy that specifies how the proxy is to vote on the resolution; or
- the person is the Chair and has been appointed as proxy (expressly or by default) without being directed how to vote on the resolution; and
- in either case, the vote is cast on behalf of a person that is entitled to vote.

## NOTES

### Proxies

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies, who need not be shareholders of the Company.

Where more than one proxy is appointed, both proxies will be entitled to vote on a poll (subject to any voting exclusion). Each proxy should be appointed to represent a specified percentage or specified number of the shareholder's voting rights. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half the votes. Fractions of votes will be disregarded.

If you sign and return a proxy form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

### Appointment of the Chair or other KMP as your proxy

Due to the voting exclusions referred to earlier in relation to Item 3 (Remuneration Report) and Item 4 (Grant of Deferred Rights to the CEO & Managing Director), if you intend to appoint a member of the KMP or their Closely Related Parties, **other than the Chair**, as your proxy, you are encouraged to direct your proxy on how to vote on Item 3 (Remuneration Report) and Item 4 (Grant of Deferred Rights to the CEO & Managing Director) by marking 'For', 'Against' or 'Abstain' opposite these resolutions on the proxy form. If you do not direct a proxy how to vote on Item 3 (Remuneration Report) or Item 4 (Grant of Deferred Rights to the CEO & Managing Director) they will not be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chair, who can vote undirected proxies (see below).

### How the Chair will vote undirected proxies

#### The Chair intends to vote any undirected proxy in favour of all resolutions including Item 3 (Remuneration Report) and Item 4 (Grant of Deferred Rights to the CEO & Managing Director).

You should note that if you appoint the Chair as your proxy, or the Chair is appointed as your proxy by default, and the proxy form does not specify whether to vote 'For', 'Against' or 'Abstain', this will be taken as a direction and authorisation to the Chair to vote in accordance with his stated voting intention, which is to vote in favour of all resolutions including Item 3 (Remuneration Report) and Item 4 (Grant of Deferred Rights to the CEO & Managing Director), even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Shareholders can always appoint the Chair as their proxy and direct him to cast votes contrary to the Chair's stated voting intention or to abstain from voting on a resolution.

If you appoint the Chair as your proxy but do not wish him to vote in favour of Item 3 (Remuneration Report) or Item 4 (Grant of Deferred Rights to the CEO & Managing Director), it is important for you to complete the voting directions in respect of Item 3 and Item 4 on the proxy form.

**A proxy form accompanies this Notice of Meeting.**

Proxy forms may be lodged as follows:

- **online** at <http://vote.linkmarketservices.com/APN>;
- **scan** this QR Code with your smartphone or tablet to the Company's dedicated mobile voting site. Log in using your holder number and postcode for your shareholding;
- **fax** the completed proxy form to +61 2 9287 0309;
- **mail** the completed proxy form to APN News & Media Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia; or
- **deliver** the completed proxy form to the Company's Share Registry at Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000, or 1A Homebush Bay Drive, Rhodes NSW 2138 (Monday to Friday, 9.00am - 5.00pm (AEST)).



In each case, the validly completed proxy form (together with any other document(s) specified in the instructions to the proxy form) must be received at an address given above no later than 10.00am (AEST) on Tuesday 2 May 2017. Proxy forms received after this time will be invalid.

Further directions for the proper completion of proxy forms are printed on the proxy form.

**Voting by Attorney**

A shareholder entitled to attend and vote at the Annual General Meeting may appoint an attorney to vote at the Annual General Meeting. An original or certified copy of the power of attorney must be received at an address given above at least 48 hours before the commencement of the Annual General Meeting.

**Corporate Representatives**

To vote at the Annual General Meeting, a corporation which is a shareholder, or which has been appointed as a proxy by a shareholder, may appoint a person to act as its representative. The appointment of a representative must comply with section 250D of the Corporations Act. Evidence of the appointment must be brought to the Annual General Meeting together with any authority under which it is signed. A proforma 'Certificate of Appointment of Corporate Representative' may be obtained from the Company's Share Registry, Link Market Services Limited.

**Voting Entitlements**

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Directors of the Company have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the Share Register at 7.00pm (AEST) on Tuesday 2 May 2017.

**Voting by Poll**

Voting will be conducted by way of a poll. Shareholders will have one vote for every share held by them (subject to any voting exclusions set out in this Notice of Meeting).

**Jointly Held Shares**

If shares are jointly held, only one of the shareholders can vote. If more than one joint shareholder votes, only the vote of the shareholder whose name appears first on the Share Register will be counted.

By order of the Board

**Y Lamont**

Company Secretary  
31 March 2017

## EXPLANATORY NOTES

These notes have been prepared to assist shareholders with their consideration of items of business proposed for the Company's Annual General Meeting to be held at the Establishment Ballroom, 252 George Street, Sydney NSW 2000 on Thursday 4 May 2017 at 10.00am (AEST).

### Item 1 - Financial Statements

The Company's 2016 Annual Report, including the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2016, will be presented to the meeting in accordance with section 317 of the Corporations Act. There is no requirement for shareholders to approve these documents.

A copy may be accessed by visiting the Company's website [www.apn.com.au](http://www.apn.com.au) and clicking on the following links: Investor Relations > Annual & Interim Reports > 2016 Annual Report.

The 2016 Shareholder Review, a summary non-statutory investor report covering an overview of operations and key performance areas, is also available from the website by clicking on the following links: Investor Relations > Annual & Interim Reports > 2016 Shareholder Review.

A shareholder may elect to receive by mail, free of charge, the Company's Annual Report or the Shareholder Review. Shareholders who wish to receive a hard copy of either document should contact the Company's Share Registry.

The Company mails a hard copy of the Annual Report or the Shareholder Review as applicable (when they are released each year) only to those shareholders who have made an election to receive them.

The Company's auditor will be present at the Annual General Meeting and shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

Shareholders eligible to vote at the Annual General Meeting may also submit written questions to the auditor in accordance with the Corporations Act no later than the fifth business day before the date of the Annual General Meeting. Each of these written questions, if any, will be answered by the auditor at the Annual General Meeting, provided the question is relevant to:

- the conduct of the audit of the Financial Report; or
- the content of the Independent Auditor's Report.

A list of the written questions to be answered by the auditor at the Annual General Meeting, if any, will be prepared by the auditor and made available at the start of the Annual General Meeting.

### Item 2 - Re-election of Directors

#### Item 2(a) Peter Cullinane

Under the Constitution and the ASX Listing Rules, a Director must retire from office (and is eligible to seek re-election) by no later than the third Annual General Meeting, or three years (whichever is longer), following his or her most recent election or re-election.

Peter Cullinane was appointed on 1 November 2013. He was elected at the Company's 2014 Annual General Meeting.

#### Item 2(b) Anne Templeman-Jones

Under the Constitution and the ASX Listing Rules, a Director must retire from office (and is eligible to seek re-election) by no later than the third Annual General Meeting, or three years (whichever is longer), following his or her most recent election or re-election.

Anne Templeman-Jones was appointed on 4 June 2013. She was elected at the Company's 2014 Annual General Meeting.

Biography details of Peter Cullinane and Anne Templeman-Jones (and other Directors) appear on pages 22 and 23 of the 2016 Annual Report.

The Directors recommend that shareholders vote in favour of each of resolutions 2(a) and 2(b).

### Item 3 - Remuneration Report (non-binding resolution)

The Remuneration Report for the year ended 31 December 2016 appears on pages 36 to 49 of the 2016 Annual Report.

The Remuneration Report sets out the policy for the remuneration of the Directors and other KMP of the Company and the consolidated entity.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company. Notwithstanding the advisory status of the vote on the Remuneration Report, the Directors will take the outcome of the vote into account when considering the Company's remuneration policy.

**Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.**

The Directors recommend that shareholders vote in favour of resolution 3.

#### **Item 4 – Grant of Deferred Rights to the CEO & Managing Director**

During the 2016 financial year (**FY16**), the Remuneration Committee (**Committee**) implemented a Total Incentive Plan (**TIP**) with the purpose of aligning executive remuneration with the Company's business strategy and shareholders' interests in an ever-changing media market.

Under the TIP, eligible executives (including Mr Davis) receive an annual incentive award which, if performance conditions are met, is delivered half in cash and half in equity. The quantum of cash and equity delivered to each executive is based on performance over the relevant financial year (in the case of the FY16 TIP award to which resolution 4 relates, the relevant year is FY16).

The equity component will be received, subject to shareholder approval, for Mr Davis in the form of a grant of deferred rights to acquire shares in the Company (**Rights**). The Rights vest and are automatically exercised into shares, subject to continued employment over a one year vesting period. Shares allocated on vesting and automatic exercise of the Rights are then subject to a further two year trading restriction.

Following shareholder approval at the Annual General Meeting, the Company will grant Rights in respect of the equity component of the FY16 TIP award to Mr Davis. The key terms of FY16 TIP award, along with the Committee's rationale for implementation of the plan, is outlined in the Remuneration Report over pages 36 to 49 of the 2016 Annual Report.

#### **Approvals Sought**

ASX Listing Rule 10.14 generally requires shareholder approval for a Director to be issued equity securities in the company under an employee incentive scheme.

It is currently intended that shares will be acquired on-market to satisfy Rights that vest under the TIP, and therefore, shareholder approval is not required under the ASX Listing Rules. However, approval is being sought for the proposed grant of Rights to Mr Davis as a matter of good corporate governance and for transparency with shareholders, as well as to provide the flexibility for shares to be issued by the Company under the TIP, as required.

Accordingly, shareholders are asked to approve the grant of Rights to Mr Davis, in relation to the Company's FY16 TIP award, on the terms and conditions summarised in these Explanatory Notes.

Approval of this resolution will also result in the Rights granted to Mr Davis being included as an exception to ASX Listing Rule 7.1. This means the Rights granted to Mr Davis, and any shares issued pursuant to this approval, will not use up part of the 15% available under ASX Listing Rule 7.1

Further details of Mr Davis's executive remuneration package can be found in the Remuneration Report on pages 36 to 49 of the 2016 Annual Report.

### Total Incentive Plan – Key Terms

The following table provides an overview of key terms of the proposed grant of Rights to Mr Davis:

KEY TERMS	DETAILS
<b>Details of the proposed FY16 Rights grant</b>	<p>Under the FY16 TIP award, 50% of Mr Davis' total award is to be delivered in the form of Rights.</p> <p>Following the end of FY16, the Company assessed performance against the FY16 TIP performance conditions over the financial year and, based on this, determined the annual incentive outcome payable to each eligible executive (including Mr Davis) (<b>FY16 TIP Award Outcome</b>).</p> <p>An explanation of how the Committee determined FY16 TIP Award Outcomes, including an overview of the FY16 TIP performance conditions and actual performance achieved, is outlined in the Remuneration Report over pages 36 to 49 of the 2016 Annual Report.</p> <p>Subject to shareholder approval, 209,073 Rights will be granted to Mr Davis. The number of Rights to be granted has been calculated as follows:</p> <p>FY16 TIP Award Outcome (\$1,057,910) <i>multiplied by 50%*</i>  <i>divided by</i>            Volume weighted average price (adjusted for capital events) (<b>VWAP</b>) of the Company's shares over the first five trading days of FY16 (\$2.53)</p> <p><small>* 50% of the FY16 TIP Award Outcome is provided in the form of Rights. The remaining 50% is provided as a cash payment.</small></p>
<b>Entitlements</b>	<p>Each Right is a right to acquire one share in the Company at no cost (or an equivalent cash amount), subject to Mr Davis' continued employment with the Company over the applicable vesting period.</p> <p>Rights do not carry any dividend or voting rights. However, any dividends that are paid by the Company prior to the vesting of Rights, in respect of the number of Rights that vest, will be delivered to Mr Davis in the form of additional shares (or an equivalent cash amount).</p> <p>The number of additional shares received will be determined by dividing the cash value of dividends paid over the vesting period for each Right (in respect of the number of Rights that eventually vest) by the VWAP of the Company's shares over the first five trading days of FY16.</p> <p>Rights are non-transferable, except in limited circumstances or with the consent of the Board.</p>
<b>Date of grant</b>	<p>If shareholder approval is obtained, the Rights will be granted to Mr Davis as soon as practicable after the Annual General Meeting, but in any event, within 12 months of the Annual General Meeting.</p>
<b>Vesting condition and period</b>	<p>Rights will vest, subject to continued employment with the Company, on the date 12 months following the end of the relevant TIP performance period.</p> <p>For the FY16 TIP award, the performance period was 1 January 2016 to 31 December 2016 (following which the FY16 TIP Award Outcome was determined by the Committee). Rights granted in respect of the FY16 TIP will therefore vest on 31 December 2017, subject to Mr Davis' continued employment up to this date (i.e. the vesting period is from 1 January 2017 to 31 December 2017).</p> <p>Rights will be automatically exercised following vesting (i.e. Mr Davis does not need to do anything to exercise the Rights and receive shares).</p>
<b>Allocation of shares</b>	<p>Upon vesting and automatic exercise of Rights, Mr Davis will receive one fully paid ordinary share in the Company in relation to each Right.</p> <p>The Company's obligation to allocate shares on vesting may be satisfied by issuing new shares, acquiring shares on-market or transferring shares from an employee share trust.</p> <p>In accordance with the terms of the TIP, the Board also has discretion to settle vested Rights in the form of a cash payment (the value of this cash payment to be equivalent to the market value, at the end of the two year restriction period, of shares that would have otherwise been delivered). Where Rights are to be settled with a cash payment, the payment will be made following the end of the restriction period which would have otherwise applied in respect of the underlying shares (i.e. the two year period ending after 31 December 2019).</p> <p>Refer below for the trading restrictions that will apply to shares allocated under the TIP.</p>



KEY TERMS	DETAILS
<b>Trading restrictions</b>	<p>Shares allocated to Mr Davis under the TIP will be subject to a trading restriction for a period of two years from the date the Rights vest.</p> <p>For the FY16 TIP award, the restriction period will begin on the date that the shares are allocated (i.e. on or around 1 January 2018) and end on 31 December 2019.</p> <p>The Company's Securities Trading Policy and Guidelines will also apply to shares allocated following vesting of Rights.</p>
<b>Price payable for securities</b>	No amount will be payable in respect of the allocation of Rights, nor in respect of any shares allocated upon the vesting of Rights.
<b>Cessation of employment</b>	<p>If Mr Davis ceases employment with the Company before the Rights vest, the treatment of his Rights will depend on the circumstances of cessation.</p> <p>Where Mr Davis ceases employment before his Rights vest due to his resignation or termination for cause (including gross misconduct), all of his unvested Rights will generally lapse at cessation.</p> <p>Where Mr Davis ceases employment before his Rights vest for any other reason, a pro-rata portion of unvested Rights (based on the portion of the vesting period elapsed at cessation) will continue "on-foot" and vest at the end of the original vesting period.</p> <p>The Board also has a broader discretion to apply any other treatment to unvested Rights that it deems appropriate in the circumstances.</p> <p>In the event Mr Davis ceases employment with the Company during the restriction period, the trading restrictions on shares will continue to apply (or there will be deferral of the cash payment where Rights are settled in cash) until the end of the original restriction period.</p>
<b>Clawback</b>	<p>The Board may, in its absolute discretion, determine that some or all unvested Rights should be forfeited in certain circumstances such as gross misconduct, material misstatement or fraud (in accordance with the Company's clawback policy).</p> <p>The Board may also forfeit unvested Rights where the performance outcomes that led to the grant of Rights being made is later determined to have been incorrectly measured or not sustained.</p>
<b>Other information</b>	<p>No other Director of the Company is eligible to participate in the TIP or any other employee incentive scheme of the Company.</p> <p>As this is the first year of equity awards being granted under the TIP, no Rights have been granted to any Director (or their associates) under the plan to date.</p> <p>There is no loan scheme in relation to the grant of Rights under the TIP.</p>

A voting exclusion statement applicable to Item 4 is set out in the Notice of Meeting.

The Directors (other than Mr Davis who abstains from making a recommendation because of his interest in the resolution) recommend that shareholders vote in favour of resolution 4.

### Item 5 – Change of Company Name and Constitution

The Company's current name, APN News & Media Limited, originated from Australian Provincial Newspapers. Since the Company has divested its regional newspaper business, Australian Regional Media, demerged NZME, acquired the remaining 50% interest in Adshel and acquired Conversant Media, the Company considers it is an appropriate time to change the name of the Company to reflect the unique radio, outdoor and digital nature of the Company.

HT&E Limited more accurately describes the Company's integrated activities and aligns with the future strategic direction of the Company.

Section 157 of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name and that the change of name takes effect when the Australian Securities and Investments Commission alters the details of the company's registration. Section 136(2) of the Corporations Act provides that a company may modify its constitution by special resolution.

Resolution 5 seeks the approval of shareholders for the Company to change its name to HT&E Limited and modify its Constitution to reflect the change of name. Approval is sought by special resolution, which requires at least 75% of the votes that are cast on the resolution to be in favour of the resolution. If this resolution is passed the change of name will take effect when the Australian Securities and Investments Commission alters the details of the Company's registration.

There will be a change to the Company's ASX listing code from **APN** to **HT1** which will be announced on the ASX's announcement platform when the change of name takes effect. The Company's updated Constitution will also be attached to this announcement.

The Directors recommend that shareholders vote in favour of resolution 5.

### Item 6 – Financial Assistance

Approval is sought by special resolution, which requires at least 75% of the votes that are cast on the resolution to be in favour of the resolution. Item 6 seeks the approval of the Company's shareholders, pursuant to sections 260A and 260B(2) of the Corporations Act, for financial assistance to be provided by:

- Australian Outdoor Pty Limited ABN 12 077 488 950 (formerly known as Clear Channel Outdoor Pty Limited) (**Adshel Aust Head Co**) and/or its subsidiaries (Adshel Aust Head Co and its subsidiaries each an **Adshel Group Company**) to assist in the acquisition by the Company of all of the issued shares in Adshel Aust Head Co; and
- Conversant Media Pty Ltd ABN 66 125 644 448 (**Conversant Head Co**) and/or its subsidiaries (Conversant Head Co and its subsidiaries each a **Conversant Group Company**) to assist in the acquisition by the Company of all of the issued shares in Conversant Head Co.

#### (a) Funding Arrangements

As announced to the market on 25 October 2016:

- the Company acquired the remaining 50% of Adshel Street Furniture Pty Limited (**Adshel SF**) that it did not already own for A\$268.4 million which was effected by the Company acquiring all of the issued shares in Adshel Aust Head Co, whose sole asset was its 50% stake in Adshel SF (**Adshel Acquisition**); and
- the Company acquired all of the issued shares in Conversant Head Co for A\$11.6 million (**Conversant Acquisition**), (the Adshel Acquisition and the Conversant Acquisition together the **Acquisitions**).

The Acquisitions were partly or wholly funded by existing debt facilities (**Debt Funding**) provided to the Company and its subsidiaries under a syndicated facility agreement entered into by, among others, the Company and a number of financial institutions (**Banking Documents**).

#### (b) Obligations to Financiers

The Company wishes to include some or all of the Adshel Group Companies and the Conversant Group Companies as a party to the Banking Documents as obligors and as such they will be required to guarantee the performance of the obligations of the Company and its subsidiaries (as borrower and/or guarantor), which includes the repayment of the Debt Funding.

By becoming party to the Banking Documents as obligors, among other benefits, much greater flexibility will be afforded to effect intra-group transactions with the relevant Adshel Group Companies and the Conversant Group Companies respectively and each of them will also be capable of directly accessing the facilities made available under the Debt Funding.

In addition, as a result of providing a guarantee under the Banking Documents, the relevant Adshel Group Companies and the Conversant Group Companies will also be required to guarantee the performance of the obligations of the Company and/or its subsidiaries under a number of other existing third-party ancillary debt finance and interest rate swap facilities provided to the Company and/or its subsidiaries (**Ancillary Finance Documents**).

These are customary requirements for such funding arrangements. It is expected that the relevant Adshel Group Companies and the Conversant Group Companies will also give certain customary representations, warranties and undertakings, and will grant the financiers certain customary rights in the event that the relevant Adshel Group Companies and Conversant Group Companies, as applicable, commit certain defaults (such as committing a material breach or becoming insolvent).

**(c) Financial Assistance**

Section 260A of the Corporations Act prohibits a company from financially assisting any person to acquire shares in that company or a holding company of that company, unless the assistance:

- does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- is approved by shareholders under section 260B of the Corporations Act; or
- falls within a limited number of exemptions under section 260C of the Corporations Act, none of which apply to the Acquisitions.

As described above, as the Acquisitions were partly or wholly funded by the Debt Funding and it is expected that the relevant Adshel Group Companies and Conversant Group Companies will guarantee the obligations of the Company and/or its subsidiaries under the Banking Documents (including the repayment of the Debt Funding) and the Ancillary Finance Documents, which may directly or indirectly assist another entity to acquire shares in Adshel Aust Head Co and Conversant Head Co or their respective holding companies.

This assistance may constitute financial assistance to acquire shares in Adshel Aust Head Co and Conversant Head Co for the purposes of section 260A of the Corporations Act. The relevant Adshel Group Companies and Conversant Group Companies will therefore seek the approval of their shareholders to give such financial assistance. This is a typical practice in such circumstances.

**(d) Effects of the Proposed Financial Assistance**

The relevant Adshel Group Companies and Conversant Group Companies may suffer adverse effects as a result of participating in the arrangements in connection with the Acquisitions, including:

- the relevant Adshel Group Companies and Conversant Group Companies may become liable as a guarantor for the guaranteed money, and may become subject to enforcement action by the financiers under the Banking Documents or the Ancillary Finance Documents (together, **Finance Documents**) in the event of a default under the Finance Documents; and
- the customary representations, warranties and undertakings which each relevant Adshel Group Company and Conversant Group Company is contemplated to give may impose certain restrictions on its ability to:
  - grant further security over its assets or dispose of assets;
  - make distributions to shareholders; and
  - borrow money in the future or incur further financial indebtedness.

**(e) Reasons for Giving Financial Assistance**

The main reasons for the giving of financial assistance described above in connection with the Acquisitions are:

- greater flexibility will be afforded to effect intra-group transactions with the relevant Adshel Group Companies and Conversant Group Companies; and
- it benefits each relevant Adshel Group Company and Conversant Group Company to assist its holding company to be able to obtain finance in order to provide to its subsidiaries (including the relevant Adshel Group Companies and Conversant Group Companies) with finance on better terms than would be available to the relevant Adshel Group Companies and Conversant Group Companies on a standalone basis.

**(f) Requirement for Approval by the Company's Shareholders**

In addition, under section 260B(2) of the Corporations Act, if a company giving financial assistance will be a subsidiary of a listed Australian company immediately after the relevant acquisition of shares, the financial assistance must also be approved by a special resolution passed at a general meeting by the shareholders of the listed company.

Accordingly, the relevant Adshel Group Companies and Conversant Group Companies can only financially assist to acquire shares as contemplated under the Finance Documents if the shareholders of the Company pass a special resolution approving the financial assistance at a general meeting.

The Directors recommend that shareholders vote in favour of each of resolutions 6(a) and (b).

[WWW.APN.COM.AU](http://WWW.APN.COM.AU)





APN NEWS & MEDIA LIMITED  
ABN 95 008 637 643

## LODGE YOUR VOTE

-  **ONLINE**  
vote.linkmarketservices.com/APN
-  **BY MAIL**  
APN News & Media Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia
-  **BY FAX**  
+61 2 9287 0309
-  **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000
-  **ALL ENQUIRIES TO**  
Telephone: 1300 553 550      Overseas: +61 1300 553 550



X99999999999

## PROXY FORM

I/We being a member(s) of APN News & Media Limited (the **Company**) and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chair of the Meeting (mark box) **OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00AM (AEST) on Thursday, 4 May 2017 at the Establishment Ballroom, 252 George Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 3 and 4:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 3 and 4, even if the Resolutions are connected, directly or indirectly, with the remuneration of the Company's Key Management Personnel (**KMP**).


**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
<b>2a</b> Re-election of Peter Cullinane as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>5</b> Change of Company Name and Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2b</b> Re-election of Anne Templeman-Jones as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>6a</b> Approval of Financial Assistance (Adshel Acquisition)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>6b</b> Approval of Financial Assistance (Conversant Acquisition)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> Grant of Deferred Rights to Mr Ciaran Davis, CEO & Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)  Joint Shareholder 2 (Individual)  Joint Shareholder 3 (Individual)   
Sole Director and Sole Company Secretary  Director/Company Secretary (Delete one)  Director

This Proxy Form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the Company's Share registry or a certified copy attached to this Proxy Form. If executed by a company, the Proxy Form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on this Proxy Form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this Proxy Form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected, directly or indirectly, with the remuneration of the KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### VOTING RESTRICTIONS FOR MEMBERS OF THE KEY MANAGEMENT PERSONNEL (KMP)

Please note that if you appoint a member of the KMP (other than the Chair of the Meeting) or one of their closely related parties as your proxy, they will not be able to vote your proxy on Resolutions 3 and 4 unless you direct them how to vote by marking a voting box in Step 2.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this Proxy Form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that Proxy Form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both Proxy Forms together.

### SIGNING INSTRUCTIONS

You must sign this Proxy Form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of a corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00AM (AEST) on Tuesday, 2 May 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[vote.linkmarketservices.com/APN](http://vote.linkmarketservices.com/APN)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <http://vote.linkmarketservices.com/APN> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

APN News & Media Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

Delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm (AEST))

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS PROXY FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**