



MARKET ANNOUNCEMENT

AMENDMENTS TO DIVIDEND REINVESTMENT PLAN TERMS AND CONDITIONS

SYDNEY, 23 February 2017 - APN News & Media Limited (**APN**) (ASX: APN) is pleased to offer shareholders the opportunity to participate in the Dividend Reinvestment Plan in respect of the dividend for the full year ended 31 December 2016 announced on 22 February 2017.

APN has refreshed the terms and conditions of APN's existing DRP to align with current market practices for dividend reinvestment plans. In accordance with ASX Listing Rule 3.10.8, a copy of the amended DRP Terms and Conditions are attached and will be made available on APN's website (www.apn.com.au/drp).

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DIVIDEND REINVESTMENT PLAN Terms and Conditions

APN News & Media Limited

ABN 95 008 637 643

DIVIDEND REINVESTMENT PLAN

Terms and Conditions

1. INTERPRETATION

- 1.1 In these Terms and Conditions, unless the context otherwise requires:

APN means APN News & Media Limited (ABN 95 008 637 643);

Application means an application by an Eligible Shareholder to become a Participant, to vary participation or to terminate participation in the DRP;

Application Form means a written application to participate in the DRP signed by an Eligible Shareholder (or, in the case of joint holdings, each Eligible Shareholder) in a form prescribed or approved by the Directors from time to time, which form may be combined with or form part of any other form or notice;

ASX means ASX Limited or the securities market which it operates, as the case may be;

Constitution means the constitution of APN;

Directors means the directors for the time being of APN;

DRP means the Dividend Reinvestment Plan embodied in these Terms and Conditions;

Eligible Shareholder means a person registered as the holder of at least the minimum number of Shares as specified by the Directors (if any) from time to time (other than a person with a registered address in any place where, in the opinion of the Directors, participation or the making of an offer or invitation to participate in the DRP would require the issue of a prospectus under foreign

law or other regulatory compliance which the Directors determine to be excessive or impracticable);

Participant means an Eligible Shareholder whose Application has been accepted for the purposes of the DRP;

Participating Shares means Shares participating in the DRP;

Plan Account means an account in the name of a Participant established by APN pursuant to Clause 5.2;

Shareholder means a person (including a corporation) registered as holding Shares;

Shares means fully paid ordinary shares in the capital of APN; and

Terms and Conditions means these terms, provisions and conditions of the DRP as may be amended from time to time pursuant to Clause 14.

- 1.2 The singular includes the plural and vice versa and a reference to a gender includes other genders.
- 1.3 A reference to a person includes a corporation, firm or body of persons recognised by law and that person's successors, assignees and legal personal representatives.
- 1.4 Words importing any gender shall include all genders.
- 1.5 Where a Shareholder has, in respect of distinct numbers of Shares held by him/her, separate holder numbers, he/she shall, for the purpose of these Terms and Conditions, be deemed to be a separate and distinct Shareholder in relation to each such holder number and the Shares from time to time allocated to that holder number.

2. PARTICIPATION IN THE DRP

Participation

- 2.1 Participation in the DRP is optional and non-transferable and shall be subject to these Terms and Conditions.
- 2.2 Any Eligible Shareholder may apply to participate in the DRP.
- 2.3 Participation in the DRP may, subject to these Terms and Conditions, be varied or terminated by an Eligible Shareholder at any time.

Multiple holdings

- 2.4 If an Eligible Shareholder has more than one holding of Shares, an Application Form may be lodged for each shareholding account, and each shareholding account of an Eligible Shareholder will be treated separately for the purposes of the DRP.

Director discretion

- 2.5 The Directors are entitled to make a final determination as to whether any particular holder of Shares is an Eligible Shareholder within the Terms and Conditions of the DRP or not, and to change any such determination, as and when they see fit. In making this determination, the Directors may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and if there is any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.

3. APPLICATION TO PARTICIPATE

- 3.1 Application to participate in the DRP by an Eligible Shareholder shall be made by completing an Application Form.
- 3.2 The Directors may in their absolute discretion accept or refuse any Application.

3.3 Each Application accepted will be effective in respect of the first dividend payment after receipt of the Application, provided it is received no later than the next business day after the record date for that dividend (or by such later date approved by the Directors from time to time).

3.4 APN will record for each Participant particulars of:

- (a) the name and address of the Participant; and
- (b) the number of Participating Shares held by the Participant from time to time,

and APN's records will be conclusive evidence of the matters so recorded.

4. EXTENT OF PARTICIPATION

4.1 An Eligible Shareholder may participate in the DRP in respect of all the Shares registered in his/her name (**full participation**) or in respect of some of the Shares registered in his/her name (**partial participation**).

Shareholder's election

4.2 An Eligible Shareholder shall specify on the Application Form the extent to which he/she wishes to participate in the DRP by:

- (a) indicating full participation; or
- (b) indicating the number of Shares he/she wishes to participate in the DRP for partial participation.

4.3 Under full participation all Shares registered in the Participant's name at the time of commencement of the full participation and all Shares subsequently registered in the Participant's name from time to time (including Shares issued pursuant to the DRP) will participate in the DRP, subject to any notice to the contrary being given under Clause 10.

- 4.4 Under partial participation, only that number of Shares indicated by the Participant for participation in the DRP will participate in the DRP. Any Shares held by the Participant over and above that number (including those acquired under the DRP) will not be Participating Shares.
- 4.5 Application Forms received by APN which do not indicate the extent of participation may, without notice to the Eligible Shareholder and at the discretion of the Directors, be rejected or may be deemed by APN to be Applications for full participation. APN shall not be liable to the Eligible Shareholder for any loss, damage or claim in respect of either the Eligible Shareholder's participation or non-participation as the case may be pursuant to the exercise by APN of its discretion.
- 4.6 Application Forms received by APN which indicate a number of Participating Shares in excess of the number of Shares held by the Eligible Shareholder making the Application shall be deemed to be Applications for full participation until such time as the number of Shares held exceeds the number of Participating Shares indicated.

Directors may impose limits

- 4.7 The Directors may determine a maximum limit on participation either in aggregate or for each Participant, and may determine a minimum number of Shares or subscription amount which must be met before a Participant may participate in the DRP. In the absence of such a determination there is no limit on participation.

5. OPERATION OF DRP

- 5.1 To give effect to the DRP, the Directors may in their discretion determine in respect of any dividend whether to issue Shares or to purchase (on ASX or otherwise) and transfer Shares to each Participant (or some combination of issue and purchase).
- 5.2 An Eligible Shareholder who applies to participate in the DRP shall, in making such Application, be deemed to have directed APN to:

- (a) pay into a Plan Account any moneys due to the Eligible Shareholder by way of dividend in respect of his/her Participating Shares (less any applicable withholding tax); and
- (b) apply such moneys towards subscription or purchase and transfer of Shares (as appropriate) for such number of Shares as is determined by the application of the formula set out in Clause 5.3.

5.3 For so long as there shall exist any Participating Shares, on each occasion that APN pays a dividend on Shares, the Directors shall allot or purchase and transfer (as appropriate) to each Participant that number of Shares that is the number ascertained by the following formula:

$$\frac{(S \times D) + R}{C}$$

where:

- S** is the number of Participating Shares;
- D** is the amount of the dividend paid to the Participant at the same time (less any applicable withholding tax) in respect of one Participating Share (expressed in terms of cents and fractions of cents);
- R** is the residual cash balance (if any) from a previous dividend on the Participant's Participating Shares;

and

- C** is the price at which Shares are issued, being the weighted average sale price of all Shares sold on ASX during the five days of trading immediately following the record date for the determination of entitlement to the relevant dividend (**average sale price**), less a percentage discount (if any) determined by the Directors from time to time to be applied in calculating the price at which the Shares will be issued. If, in the opinion of the Directors, the average sale price calculated does not represent

the then fair market value of the Shares, then the average sale price will be the amount reasonably determined by the Directors in their absolute discretion.

- 5.4 Where a fraction of a Share results from the calculation required by Clause 5.3 that fraction shall be rounded down to the nearest whole number and the remaining dividend will be carried forward as a residual cash balance on the Participant's Participating Shares. No interest is payable on a residual cash balance.

6. SHARES ALLOTTED OR PURCHASED AND TRANSFERRED UNDER THE DRP

- 6.1 Shares allotted under the DRP will be allotted in accordance with the Listing Rules of ASX.
- 6.2 Shares allotted or purchased and transferred (as appropriate) to Participants under the DRP will be fully paid and will rank equally in all respects with existing Participating Shares.
- 6.3 Shares allotted under the DRP will be registered on a register selected by APN being a register on which the Participant already holds Shares.
- 6.4 Holding Statements for the Shares allotted or purchased and transferred (as appropriate) to Participants under the DRP will be sent to each Participant following each allotment or purchase and transfer (as appropriate).

7. UNDERWRITING

- 7.1 APN may cause an issue of Shares under the DRP to be underwritten, wholly or partially, in respect of any one or more dividends on terms and conditions (including as to fees) determined by the Directors in their absolute discretion.

8. NO COST TO PARTICIPANTS

- 8.1 No brokerage, commission, stamp duty, or other transaction costs will be payable by Participants in respect of any

allotment or purchase and transfer (as appropriate) of Shares under the DRP.

9. STATEMENTS TO PARTICIPANTS

- 9.1 After each allotment or purchase and transfer (as appropriate) made pursuant to Clause 5.3 APN must provide each Participant with a statement detailing as at the relevant allotment or transfer date (as appropriate):
- (a) the number of the Participant's Participating Shares as at the record date for determination of entitlements to payment of dividends on Shares;
 - (b) the amount of dividend paid to the Participant in respect of his/her Participating Shares; and
 - (c) the number of Shares subscribed for and allotted under the DRP to the Participant on the date.

10. VARIATIONS TO OR TERMINATION OF PARTICIPATION

Variation

- 10.1 A Participant may at any time give notice to APN to:

- (a) increase or decrease the number of his/her Participating Shares; or
- (b) terminate his/her participation in the DRP,

by lodging an Application Form or other notice in the form required by APN. To be effective for a forthcoming dividend, an Application Form, variation notice or termination notice must be received by APN no later than the next business day after the record date for that dividend (or by such later date approved by APN from time to time).

Effect of death

- 10.2 If a Participant dies, participation by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated, subject to Clause 12, upon receipt by APN of notice of death of the Participant.

Effect of termination

- 10.3 If a Participant terminates (or is deemed to have terminated) his/her participation in the DRP, the amount of any residual cash balance held on the Participant's behalf by APN will become the property of APN. It is in APN's sole discretion as to the use of the residual cash balance.

11. REDUCTION OR TERMINATION WHERE NO NOTICE IS GIVEN

- 11.1 Where a Participant transfers all of his/her holding of Shares without giving notice of termination of participation in the DRP, the Participant will be deemed to have given notice to terminate his/her participation in the DRP on the last date when APN registered a transfer or instrument of disposal of the Participant's Shares.
- 11.2 Where a Participant transfers Participating Shares those Participating Shares shall upon registration of such transfer cease to be Participating Shares.

12. APPLICATIONS AND NOTICES

- 12.1 Notices and applications must be in writing and in such form as APN may from time to time require.
- 12.2 Applications must be made and notices must be given by a Participant separately in respect of each holding of Shares identified by a separate holder number in the Register of Members of APN.
- 12.3 Applications and notices will be effective on receipt by APN subject to:

- (a) these Terms and Conditions;
- (b) in the case of Applications, acceptance by APN;
- (c) subject to sub-clause (d), them being received by APN on or before the record date for determination of entitlements to payment of a dividend. Applications and notices received after the due date shall be deemed to have been received on the day following the next allotment or purchase and transfer (as appropriate) made pursuant to Clause 5.3; and
- (d) such other restrictions as to the period of notice required as APN may from time to time impose.

13. STOCK EXCHANGE LISTING AND RULES

- 13.1 APN will apply promptly for the Shares allotted under the DRP to be listed for quotation on the ASX.
- 13.2 The DRP is subject to the Listing Rules of ASX and to any rules for clearing and/or settlement which operate on the ASX from time to time (**Trading Rules**) and in the event of any inconsistency between the DRP and the Trading Rules, the Trading Rules will prevail.

14. MODIFICATION, SUSPENSION AND TERMINATION OF THE DRP

- 14.1 The DRP may be modified, suspended or terminated by APN at any time on announcing to ASX.
- 14.2 If the DRP is suspended, the Directors may reinstate the DRP at any time by notice to Shareholders either on the terms of this DRP or with such changes as the Directors may determine.
- 14.3 If the DRP is modified or if the DRP is suspended and then later reinstated, unless APN notifies the Participant otherwise, each Participant will continue to participate

in the DRP on the basis of the last notice given to APN pursuant to Clause 3 or Clause 10.

- 14.4 If the DRP is suspended or terminated, then any residual cash balance in the Participant's Plan Account will become the property of APN unless the Directors determine otherwise.

15. ADMINISTRATION OF THE DRP

- 15.1 The Directors have the power to determine procedures for administration of the DRP consistent with the Terms and Conditions of the DRP.
- 15.2 The Directors may settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the DRP, whether generally or in relation to any Participant or any Participating Shares and the determination of the Directors shall be conclusive and binding on all Participants and other persons to whom the determination relates.
- 15.3 The Directors may delegate to any one or more persons, including APN's share registry, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the DRP.

16. GENERAL

- 16.1 These Terms and Conditions shall be governed by, and construed in accordance with, the laws of New South Wales.
- 16.2 Participants are bound by the Terms and Conditions of the DRP as modified from time to time.
- 16.3 APN makes no representation or warranty as to any taxation advantages or other consequences of the DRP for a Participant and APN has no liability for any taxes or

other charges imposed on a Participant as a result of participating in the DRP or otherwise. Participants should obtain their own professional taxation advice, if required.

- 16.4 The Directors have the power to determine procedures for administration of the DRP consistent with these Terms and Conditions.
- 16.5 The Directors may in their discretion waive compliance with any one or more of these Terms and Conditions in relation to a Participant or all Participants and may delegate to any person or company any or all of their powers or discretions under the DRP as they see fit.
- 16.6 Any decision, calculation or determination by the Directors or APN under the DRP is, in the absence of manifest error, final and binding on all Participants.
- 16.7 Neither the Directors nor APN have any liability for any loss or damage incurred by any Participant in respect of participation in the DRP or its administration by APN or otherwise.

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