

# Notice of 2018 Annual General Meeting

8 NOVEMBER 2018



ABN 32 063 906 927

**Macquarie Media Limited (MML or the Company) will hold its Annual General Meeting (AGM) at 11.00am (AEDT) on Thursday 8 November 2018 at the offices of Computershare Investor Services Pty Ltd at Level 4, 60 Carrington Street, Sydney, NSW for the purpose of transacting the business set out in this Notice.**

## BUSINESS

### Item 1: Financial reports

To receive the Financial Statements, Directors' Report and Auditors Report for MML and its controlled entities for the year ended 30 June 2018 (**FY18**).

### Item 2: Remuneration report

To consider and, if thought fit, to pass the following as a non-binding ordinary resolution:

*That the remuneration report that forms part of the Directors' Report of the 2018 Annual Report is adopted.*

Note: A voting exclusion statement in relation to this resolution is set out below, in the "Explanatory Notes" section.

This resolution is advisory only and does not bind the Company or the directors. The directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies.

### Item 3: Re-election of directors

3.1 To re-elect Mr James M. Millar as a director

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

*That Mr James M. Millar is re-elected as a director of the Company.*

3.2 To re-elect Mr Russell Tate as a director

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

*That Mr Russell Tate is re-elected as a director of the Company.*

Note: The non-candidate directors unanimously support the re-election of Mr James M. Millar and Mr Russell Tate.

### Item 4: Adjustment to the FY18 Performance Hurdle attached to the Share Appreciation Rights (SARs) approved for issue to Mr Russell Tate at the 2017 AGM

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

*Approval be given for the adjustment to the FY18 Performance Hurdle attached to the 375,000 SARs which were approved for issue to Mr Tate at the Company's 2017 AGM, on the terms set out in the Explanatory Statement.*

Note: The directors (Mr Tate abstaining) unanimously support the amendment of the FY18 Performance Hurdle attached to the SARs approved for issue to Mr Tate at the 2017 AGM.

### Item 5: Increase cap on the maximum aggregate amount of non-executive directors' remuneration

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

*That for the purposes of ASX Listing Rule 10.17, and in accordance with rule 6.3(a) of the Company's Constitution, the maximum aggregate amount which may be paid to the Company's non-executive directors in any year be increased from \$300,000 to \$440,000.*

Note: A voting exclusion statement in relation to this resolution is set out below, in the "Explanatory Notes" section.

## KEY DATES

### Eligibility to attend and vote

You are eligible to attend and vote at the meeting if you are registered as an MML shareholder at 7.00pm (AEDT) on Tuesday 6 November 2018.

### Last date to submit Voting Form

Your completed Proxy Form must be received by no later than 11.00am (AEDT) on Tuesday 6 November 2018.

## HOW TO VOTE

- Eligible shareholders may attend the meeting and vote in person.
- You can vote directly on resolutions considered at the meeting without attending the meeting by lodging your vote: online; or by mail; or by using your mobile device by scanning the QR code provided. Detailed instructions for each of these options can be found on the enclosed Form.
- You can appoint a proxy to attend and vote on your behalf as an alternative to attending the meeting in person or casting a direct vote. The proxy does not need to be member of the Company.  
A shareholder wishing to appoint a proxy may use the Proxy Form provided with this Notice of Meeting. Please carefully follow the "How to complete the Proxy Form" instructions on the other side of the Proxy Form.

The Chairman intends to vote undirected proxies on, and in favour of, all resolutions set out in this Notice.

## QUESTIONS FROM SHAREHOLDERS

Shareholders may direct questions during the meeting to the Chairman about the operation and management of MML, or to MML's auditor about the content of the auditor's report and the conduct of the audit.

You can also write your comments or questions on a separate sheet of paper and return them with the Proxy Form.

By order of the Board  
Karen Birner  
Company Secretary  
24 September 2018

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## EXPLANATORY NOTES

**Chairman** means both Chairman of the Meeting, and Chairman of the Company.

### Item 1: Financial report

The financial report, directors' report and auditor's report are contained in the Company's 2018 Annual Report. A copy of the Annual Report can be found on the Company's website at [www.macquariemedia.com.au](http://www.macquariemedia.com.au).

While the *Corporations Act 2001* (Cth) (**Corporations Act**) requires the financial report, the directors' report and the auditor's report of the Company for the year to be laid before the Annual General Meeting, neither the Corporations Act nor the Company's Constitution requires shareholders to vote on, approve or adopt those reports.

Shareholders will, however, have a reasonable opportunity at the Annual General Meeting to ask questions on those reports and on the management of the Company. Shareholders will also have a reasonable opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements of the Company, and the independence of the auditor in relation to the conduct of the audit.

### Item 2: Remuneration report

The remuneration report is part of the directors' report for the year and is set out on pages 7 to 13 of the 2018 Annual Report.

The remuneration report outlines MML's executive remuneration framework and the FY18 remuneration outcomes for the MML Board and Key Management Personnel (KMP).

The Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting before calling for a vote.

The resolution is advisory only. The Board will consider and take into account the outcome of the vote and feedback from shareholders on the remuneration report when reviewing the Company's remuneration policies.

#### Board recommendation

The Board recommends that you vote in favour of this item.

#### Voting exclusions

MML will disregard any votes cast on this resolution:

- by or on behalf of a member of the KMP named in the remuneration report for the year ended 30 June 2018, or that KMP's closely related party, regardless of the capacity in which the vote is cast
- as a proxy by a member of the KMP at the date of the meeting, or that KMP's closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - in accordance with their directions on how to vote as set out in the proxy appointment or
  - by the Chairman pursuant to an express authorisation on the Proxy Form.

### Item 3: Re-election of directors

In accordance with the director rotation provisions of ASX Listing Rule 14.4 and rule 6.1(d) of the Company's Constitution, Mr James M. Millar and Mr Russell Tate are required to retire from office at the Annual General Meeting and now offer themselves for re-election to the Board.

#### 3.1 Re-election of Mr James M. Millar

Mr Millar has been a director of the Company since 31 March 2015. Mr Millar is the former Chief Executive Officer of Ernst & Young (EY) in the Oceania Region and was a director on their Global Board.

Mr Millar commenced his career in the Insolvency and Reconstruction practice at EY, conducting some of the largest corporate workouts of the early 1990s. He has qualifications in both business and accounting. Mr Millar is a non-executive director of Mirvac Limited and Fairfax Media Limited. He is Chairman of both the Export Finance and Insurance Corporation and Forestry Corporation of NSW. Mr Millar is also Chairman of the Vincent Fairfax Family Foundation. He is a former director of Helloworld Limited and Slater & Gordon Limited.

#### Board recommendation

The non-candidate directors unanimously support the re-election of Mr Millar.

#### 3.2 Re-election of Mr Russell Tate

Mr Tate has been a director of the Company since 21 November 2008. He held the position of Executive Chairman and CEO from 2008 up until 30 June 2018. Mr Tate assumed a Non-Executive Chairman role from 1 July 2018.

Mr Tate has over 30 years' experience in senior executive and consulting roles in marketing and media. He was Chief Executive Officer of ASX listed STW Communications Group Limited, Australia's largest marketing communications group, from 1997 to 2006, Executive Chairman from 2006 to 2008 and Deputy Chairman (Non-Executive) from 2008 to 2011. He is currently a director of RevTech Media Pty Ltd and Collins Foods Limited. Mr Tate holds a Bachelor of Commerce (Econ.) from the University of New South Wales.

#### Board recommendation

The non-candidate directors unanimously support the re-election of Mr Tate.

### Item 4: Adjustment to the FY18 Performance Hurdle attached to the 375,000 SARs approved for issue to Mr Russell Tate at the 2017 AGM

At the AGM of the Company held on 9 November 2017 (2017 AGM), shareholders approved the issue of 375,000 SARs to Mr Tate on the terms set out in the Explanatory Notes and Notice of Meeting for the 2017 AGM.

Subsequent to the 2017 AGM and after due consideration, the Board determined that the Performance Hurdle attached to the SARs approved for issue to Mr Tate at the 2017 AGM, should be amended so as to align with the Performance Hurdles attached to the SARs granted to other executive KMP (i.e. the CEO and the CFO).

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The approval of shareholders is being sought for an adjustment to the FY18 Performance Hurdle attached to the 375,000 SARs approved for issue to Mr Tate at the 2017 AGM, from:

- 100% of the proposed grant of SARs (i.e. 375,000 SARs) would vest after the end of the financial year ending 30 June 2018 if the Company achieves EBITDA of \$40 million for that financial year (**FY18 Performance Hurdle**);

To,

- If the Company achieves underlying EBITDA of between \$32 million and \$35 million in FY18, 25% of the proposed grant of SARs will vest at the end of FY18; or
- If the Company achieves underlying EBITDA of between \$35 million and \$38 million in FY18, 50% of the proposed grant of SARs will vest at the end of FY18; or
- If the Company achieves underlying EBITDA of between \$38 million or more in FY18, 100% of the proposed grant of SARs will vest at the end of FY18.

(Together the **FY18 Amended Performance Hurdles**).

## **Quantum of proposed amendment to the FY18 Performance Hurdle**

Under the FY18 Performance Hurdle approved at the 2017 AGM, no SARs would vest and accordingly no Shares would be issued or transferred to Mr Tate in accordance with the terms of those SARs.

Under the proposed FY18 Amended Performance Hurdles 93,750 SARs would vest (i.e. 25% of the total SARs granted), and 40,791 Shares would be issued to Mr Tate in accordance with the proposed amended FY18 Performance Hurdles of those SARs.

## **Board recommendation**

The directors (Mr Tate abstaining) recommended that the shareholders vote in favour of this Item 4. Each of the directors (other than Mr Tate) are non-executive directors of the Company and are not eligible to participate in the Share Appreciation Rights Plan and accordingly do not have an interest in the outcome of this resolution.

## **Voting exclusions**

MML will disregard any votes cast:

- in favour of this resolution by or on behalf of Mr Tate or an associate of Mr Tate, regardless of the capacity in which the vote is cast
- on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - in accordance with their direction of how to vote as set out in the proxy appointment or
  - by the Chairman of the meeting pursuant to an express authorisation on the Proxy Form as the Chairman sees fit (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP).

## **Item 5: Fees to non-executive directors**

ASX Listing Rule 10.17 and rule 6.3(a) of the Company's Constitution, requires shareholders to approve any increase in the total amount of non-executive director's remuneration that can be paid each year. Item 5 proposes an increase in the maximum fee pool that can be paid to non-executive directors each year from \$300,000 per annum to \$440,000 per annum, an increase of \$140,000 per annum.

The proposed new maximum takes into account changes in the number of MML's non-executive directors while continuing to maintain a fee buffer to provide flexibility.

The total fees paid to MML non-executive directors in FY18 was \$225,000. However, the number of non-executive directors has increased from four in FY18 to five in FY19 following Mr Russell Tate assuming a Non-Executive Chairman role effective 1 July 2018 (refer to ASX announcement of 15 February 2018).

The proposed new maximum takes into account these changes and includes a fee buffer of around \$75,000. The MML Board has always maintained a fee buffer of around \$75,000 to give it flexibility in planning its structure in advance of specific needs arising. This has included appointing new directors to the Board before the directors they are replacing retire, to facilitate an orderly succession.

No securities have been issued to MML non-executive directors under Listing Rule 10.11 or 10.14 with the approval of Shareholders within the last three years.

## **Board recommendation**

Given the interest in this matter of each non-executive director, the Board as a whole makes no recommendation on this item.

## **Voting exclusions**

MML will disregard any votes cast on this resolution:

- in favour of this resolution by or on behalf of the directors or their associates, regardless of the capacity in which the vote is cast
- as a proxy by a member of the KMP at the date of the meeting, or that KMP's closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - in accordance with their direction of how to vote as set out in the proxy appointment or
  - by the Chairman of the meeting pursuant to an express authorisation on the Proxy Form.