

# notice of 2015 annual general meeting

**MACQUARIE RADIO NETWORK LIMITED**

ABN 32 063 906 927

("COMPANY")

Notice is given that the Annual General Meeting of Shareholders of Macquarie Radio Network Limited will be held on **Tuesday 10 November 2015** commencing at **11.00 am** at the offices of Computershare Investor Services Pty Ltd at Level 4, 60 Carrington St, Sydney, NSW.

## **ORDINARY BUSINESS**

### **1 Financial Reports and Statements**

To receive and consider the financial report of the Company and the consolidated financial statements of the Company and its controlled entities for the year ended 30 June 2015 and the related Directors' Report, Directors' Declaration and Independent Audit Report.

### **2 Resolution 1 - Remuneration Report (advisory only)**

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

*That the Remuneration Report that forms part of the Directors' Report of the 2015 Annual Report is adopted.*

#### **Voting exclusion statement**

The Company will disregard any votes cast on Resolution 2 by or on behalf of a person who is a member of the KMP at the date of the Meeting or their closely related parties whether cast as a shareholder or proxy, unless the vote is cast as proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy notwithstanding that this resolution is connected directly or indirectly with the remuneration of a member of the KMP (by appointing the Chairman as your proxy, you will be taken to have given this express authorisation and, unless you direct the Chairman how to vote, you will be taken to have directed him to vote in accordance with his stated voting intention).

The Chairman of the Meeting intends to cast all available proxies in favour of this Resolution.

### **3 Resolution 2 – Election of Mr Greg Hywood as a Director**

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

*That Mr Greg Hywood is elected as a Director of the Company.*

### **4 Resolution 3 – Election of Mr James Millar AM as a Director**

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

*That Mr James Millar AM is elected as a Director of the Company.*

**5 Resolution 4 – Election of Ms Louise McCann as a Director**

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

*That Ms Louise McCann is elected as a Director of the Company.*

**6 Resolution 5 – Election of Ms Monique Marks as a Director**

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

*That Ms Monique Marks is elected as a Director of the Company.*

**7 Resolution 6 – Change of Company Name**

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

*That, for the purpose of section 157(1) of the Corporations Act 2001 (Cth) (Corporations Act) and for all other purposes, the Company's name be changed from Macquarie Radio Network Limited to Macquarie Media Limited and that, for the purpose of section 136(2) of the Corporations Act and for all other purposes, all references to "Macquarie Radio Network Limited" in the Company's Constitution be replaced with references to "Macquarie Media Limited".*

**8 Resolution 7 – Approval of the Macquarie Radio Network Share Appreciation Rights Plan**

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

*That, for the purposes of Listing Rule 7.2 (exception 9(b)) and for all other purposes, the Company's Share Appreciation Rights Plan (a summary of which is set out in the Explanatory Statement to this Notice) and all issues of share appreciation rights and securities under the Plan, be approved.*

**Voting exclusion statement**

The Company will disregard any votes cast on Resolution 7:

- by or on behalf of Mr Tate and any of his associates, regardless of the capacity in which the vote is cast; or
  - as a proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties,
- unless the vote is cast as proxy for a person who is entitled to vote on the Resolution:
- in accordance with a direction on the proxy form; or
  - by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy.

The Chairman of the Meeting intends to cast all available proxies in favour of this Resolution.

**9 Resolution 8 – Approval for grant of SARs to Mr Tate under the Macquarie Radio Network Share Appreciation Rights Plan**

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

*That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue by the Company of 750,000 share appreciation rights (and any subsequent issue or transfer of securities upon vesting of those share appreciation rights) to the Executive Chairman, Mr Russell Tate, under the Company's Share Appreciation Rights Plan on the terms set out in the Explanatory Statement, be approved.*

**Voting exclusion statement**

The Company will disregard any votes cast on Resolution 8:

- by or on behalf of Mr Tate and any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy.

The Chairman of the Meeting intends to cast all available proxies in favour of this Resolution.

**10 Resolution 9 – Auditor appointment**

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

*To appoint Ernst & Young as the company's auditor with effect from the date of Deloitte's resignation. Ernst & Young, having been nominated for appointment, has consented to act as auditor.*

**11 Resolution 10 – Non-executive Directors' Remuneration**

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

*That for the purposes of clause 6.3 of the Constitution and all other purposes, the amount fixed for Non-executive Directors' remuneration is determined within an aggregate Non-executive Directors' remuneration pool limit of \$300,000 per annum.*

**Voting exclusion statement**

The Company will disregard any votes cast on Resolution 10:

- by or on behalf of a director and any of their associates, regardless of the capacity in which the vote is cast; or
- as a proxy a person who is a member of the KMP at the date of the Meeting or their closely related parties

unless the vote is cast as proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy notwithstanding that this resolution is connected directly or indirectly with the remuneration of a member of the KMP (by appointing the Chairman as your proxy, you will be taken to have given this express authorisation and, unless you direct the Chairman how to vote, you will be taken to have directed him to vote in accordance with his stated voting intention).

The Chairman of the Meeting intends to cast all available proxies in favour of this Resolution.

Dated 12 October 2015

**By resolution of the Board**



**Lisa Young**  
Company Secretary

# explanatory statement

## **Introduction**

This Explanatory Statement has been prepared to provide the Company's Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of the Company to be held on 10 November 2015.

All Shareholders should read the Explanatory Statement carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Annual General Meeting should consult their financial or legal adviser for assistance.

## **ORDINARY BUSINESS**

### **1 Financial Reports and Statements**

The financial report for consideration at the meeting will be the full financial report, consisting of the reports of the Directors and the Auditor and the annual financial report, including the financial statements of the Company and its controlled entities for the year ended 30 June 2015.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on reports or statements. However, Shareholders will be given the opportunity to raise questions or comments on the reports and statements at the meeting. In addition, a reasonable opportunity will be given to Shareholders as a whole at the meeting to ask the Company's Auditor questions relevant to the conduct of the audit and the preparation and content of the Auditor's report.

### **2 Resolution 1 - Remuneration Report - Non Binding Resolution**

The Remuneration Report is contained in the Directors' Report of the 2015 Annual Report. The report sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for key management personnel.

Section 250R of the Corporations Act requires a listed company to put to its shareholders at each Annual General Meeting a resolution adopting the Remuneration Report, but provides that the vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to raise questions or make comments on the Remuneration Report. An advisory resolution that the Remuneration Report be adopted will then be put to a non-binding vote.

If you appoint the Chairman of the Meeting as your proxy, and you do not direct your proxy how to vote on Resolution 1 on the proxy form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

### **3 Resolution 2 – Election of Mr Greg Hywood as a Director**

Mr Hywood has been a Director of the Company since 31 March 2015 and was appointed as an additional director by the directors under rule 6.1(d) of the Company's Constitution. In accordance with the provisions of ASX Listing Rule 14.4 and rule 6.1 of the Company's Constitution, Mr Hywood is required to retire from office at the Annual General Meeting and now offers himself for election.

Mr Hywood has enjoyed a long career in the media and government. Mr Hywood was appointed to the Board of Directors of Fairfax Media Limited on 4 October 2010 and to the position of Chief Executive and Managing Director on 7 February 2011. A Walkley Award winning journalist, he held a number of senior management positions at Fairfax including Publisher and Editor-in-Chief of each of The Australian Financial Review, The Sydney Morning Herald / Sun Herald and The Age. He also held the position of Group Publisher Fairfax magazines. He was Executive Director Policy and Cabinet in the Victorian Premier's Department between 2004 and 2006, and from 2006 to 2010 was Chief Executive of Tourism Victoria.

The other Directors unanimously recommend that Mr Greg Hywood be elected as a Director of the Company.

#### **4 Resolution 3 – Election of Mr James Millar AM as a Director**

Mr Millar has been a Director of the Company since 31 March 2015 and was appointed as an additional director by the directors under rule 6.1(d) of the Company's Constitution. In accordance with the provisions of ASX Listing Rule 14.4 and rule 6.1 of the Company's Constitution, Mr Millar is required to retire from office at the Annual General Meeting and now offers himself for election.

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 1990's. He has qualifications in both business and accounting. Mr Millar is a Non-Executive Director of Mirvac Limited, Helloworld Limited and Fairfax Media Limited. He is Chairman of both the Export Finance and Insurance Corporation and Forestry Corporation of NSW. Mr Millar serves a number of charities where he is the Chairman of The Smith Family, and is a Trustee of the Australian Cancer Research Foundation and the Vincent Fairfax Family Foundation. He is a former Chairman of Fantastic Holdings Limited.

Mr Millar is currently Chair of the Audit Committee for the Company.

The other Directors unanimously recommend that Mr James Millar AM be elected as a Director of the Company.

#### **5 Resolution 4 – Election of Ms Louise McCann as a Director**

Ms McCann has been a Director of the Company since 10 June 2015 and was appointed as an additional director by the directors under rule 6.1(d) of the Company's Constitution. In accordance with the provisions of ASX Listing Rule 14.4 and rule 6.1 of the Company's Constitution, Ms McCann is required to retire from office at the Annual General Meeting and now offers herself for election.

Ms McCann has over 25 years' experience in media, publishing and market research in Australia, across Asia Pacific and internationally. Ms McCann is Non Executive Director of ASX 200 iiNet Limited, Grant Thornton Australia Limited, Chartered Accountants Australia and New Zealand, University of Notre Dame Australia and the Australia Physiotherapy Association. Louise has former experience as the Chief Executive Officer for Asia and Managing Partner for Australia for Hall & Partners, a specialist brand and communications market research agency. She also was Chairman and Chief Executive Officer at Research International (ANZ), Chief Executive Officer of OzTAM Pty Ltd and has served as the Industry President and Vice President for The Association of Market and Social Research Organisations. She also served as Director for the International Advertising Association's Australian Chapter and was previously a Non-Executive Director of The Brain Bank. Louise has also held executive positions with the Ten Network, Dawson Magazine and senior production positions with the Australian Broadcasting Corporation.

Ms McCann is currently Chair of the Nomination and Remuneration Committee for the Company.

The other Directors unanimously recommend that Ms Louise McCann be elected as a Director of the Company.

## 6 Resolution 5 – Election of Ms Monique Marks as a Director

Ms Marks has been a Director of the Company since 7 September 2015 and was appointed as an additional director by the directors under rule 6.1(d) of the Company's Constitution. In accordance with the provisions of ASX Listing Rule 14.4 and rule 6.1 of the Company's Constitution, Ms Marks is required to retire from office at the Annual General Meeting and now offers herself for election.

Ms Marks has over 20 years experience in senior management roles specialising in large venue management and business transformation projects. Ms. Marks has held senior roles with companies owned by John Singleton for over 13 years. In April 2014, Ms Marks was appointed to her current role of Chief Executive Officer of the John Singleton Group, overseeing the operation of the groups portfolio. Monique sits on a number of boards across local, Government and the private sectors. Monique holds an Advanced Diploma of Management, Business Administration, Hospitality, Venue and Events. Prior to joining Mr Singleton's Group, Ms Marks was in the hospitality industry and in 1992 was the then youngest female Hotel Licensee in NSW at the age of 22.

The other Directors unanimously recommend that Ms Monique Marks be elected as a Director of the Company.

## 7 Resolution 6 – Change of Company Name

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

*That, for the purpose of section 157(1) of the Corporations Act 2001 (Cth) (Corporations Act) and for all other purposes, the Company's name be changed from Macquarie Radio Network Limited to Macquarie Media Limited and that, for the purpose of section 136(2) of the Corporations Act and for all other purposes, all references to "Macquarie Radio Network Limited" in the Company's Constitution be replaced with references to "Macquarie Media Limited".*

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

## 8 Resolution 7 – Approval of the Macquarie Radio Network Share Appreciation Rights Plan

### Background

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.2 (exception 9(b)) and for all other purposes of the Macquarie Radio Network Share Appreciation Rights Plan (**Plan**) and of the issue of share appreciation rights (**SARs**) and securities under the Plan from time to time.

The Company has revisited its long term incentive (**LTi**) arrangements to ensure that it continues to reward, retain and motivate certain employees and senior executives in a manner aligned with Shareholders. After exploring a number of equity incentive vehicles, it was decided that a share appreciation rights plan is the most appropriate incentivisation mechanism for senior executives and the relevant employees.

Economically, SARs are similar to an option with an exercise price equal to the market value at the grant date. That is, a SAR rewards the Participant if Share price growth is achieved after the relevant grant date.

When calculating the Share price growth:

- the Share price at grant date (**Base Price**) will be determined by the Board with reference to the value weighted average price (VWAP) at the grant date; and
- the Share price at vesting (**Subsequent Market Value**) will be determined by reference to the 30-day VWAP at the time of vesting.

### Overview of the Plan

Under the Plan, the Board may grant SARs to Eligible Participants (**Participant**). Vesting of any SAR granted under the Plan will be subject to the satisfaction of performance hurdles, vesting conditions, and/or other conditions as determined by the Board (summarised below).

Each SAR represents a right to receive an Award (payable in cash or Shares or a combination of both in the absolute discretion of the Board) with a value equal to the positive difference between the Subsequent Market Value and the Base Price. The Board expects that it will typically settle a vested SAR in Shares. If all applicable Vesting Conditions and Performance Hurdles are satisfied or otherwise waived by the Board, a Vesting Notice will be provided to the Participant. Unless and until the Vesting Notice is provided to the Participant, the relevant SARs will not be considered to have vested.

The Plan will enable the Company to make annual grants to Eligible Participants so that LTIs form a key component of their total annual remuneration. This will better align the remuneration packages of certain employees and senior executives of the Company with the interests of Shareholders and current market practice.

Given that the Plan is a new equity incentive plan, this is the first time the Company has sought Shareholder approval in respect of the Plan (and the issue of **SARs** and securities under it). As at the date of this Notice, no SARs have been granted under the Plan.

A summary of the principal terms of the Plan rules is set out below.

Key term	Description
<b>Plan</b>	Macquarie Radio Limited Share Appreciation Rights Plan
<b>Instrument</b>	<p>Share Appreciation Right (<b>SAR</b>). Each SAR is a right to an Award which is calculated in the following manner:</p> <p><i>(Subsequent Market Value – Base Price)</i></p> <p>Consequently, the Participant's Total Award is calculated in the following manner:</p> <p><i>(Subsequent Market Value – Base Price) x Number of vested SARs</i></p> <p>At the Board's discretion, the Participant's Total Award (if any) may be settled in cash, via a transfer and/or issue of Shares (rounded down to the nearest whole number) or a combination of both, the number of Shares to be calculated in the follow manner:</p> <p><i>(Total Awards / Subsequent Market Value)</i></p>
<b>Eligibility / Participants</b>	<p>Only salaried employees and executive directors (<b>Eligible Participants</b>) are eligible to participate in the plan (ie. Non-Executive Directors and contractors will not be eligible). The Board in its absolute discretion will determine which Eligible Participants will be invited to participate in the Plan.</p> <p>Where permitted in the Invitation, participants will be able to nominate a party to be issued the SARs on their behalf. The Board will have discretion not to allow a renunciation of an Invitation in favour of a Nominated Party.</p>
<b>Equity pool</b>	Up to 5 per cent (5%) of the issued capital of Macquarie Radio Network Limited ( <b>MRN</b> ) will be available for grant under this Plan and any other equity incentive plans over a three year period (subject to certain exclusions). The grants of SARs are being made in compliance with ASIC class order 14/1000 and accordingly MRN will ensure compliance with the issuance cap in that class order.
<b>Capital structure</b>	The Plan rules will include standard provisions to deal with bonus issues and capital restructures.
<b>Source of Shares</b>	SARs may be satisfied by new issue or the purchase of shares on market, including via an employee share trust.
<b>Grant frequency</b>	The Board will have the discretion to determine when SARs will be granted.

<b>Allocation methodology</b>	<p>The Board will have the discretion to determine each Participant's allocation of SARs.</p> <p>Typically, quantum (i.e. dollar value) will be determined as a percentage of base salary (e.g. 25% of base salary). This dollar value is then converted into the requisite number of SARs to be granted in the following manner (rounded down to the nearest whole number):</p> <p><i>(LTI dollar value / Allocation value per SAR)</i></p>
<b>Rights attaching to SARs and Shares</b>	<p>Participants will have no voting or dividend rights until the SARs are exercised and the Participant holds Shares. All Shares issued on exercise of vested SARs will have rights equal to all other Shares on issue and upon issue, the Company will make application to ASX for quotation of the Shares.</p>
<b>Vesting period</b>	<p>The Board will have the discretion to determine the vesting period.</p>
<b>Vesting conditions/ performance hurdles</b>	<p>The Board will have the discretion to determine what Vesting Conditions and/or Performance Hurdles must be met by Participants in order for the SARs to vest and become exercisable.</p>
<b>Vesting notification</b>	<p>Once the Board determines whether or not the Vesting Conditions and Performance Hurdles and/or other conditions have been met, it will notify Participants of the number of SARs that have vested and/or lapsed via the issue of a Vesting Notice. The date of the Vesting Notice will be the Vesting Date.</p> <p>No SARs will vest until a Vesting Notice has been issued.</p>
<b>Exercise</b>	<p>Participants will be able to exercise any rights from the date of the relevant Vesting Notice until the SARs lapse.</p>
<b>Exercise price</b>	<p>Nil – Participants will not have to pay any amount to exercise the SARs.</p>
<b>Life of Awards / Expiry Date</b>	<p>The SARs will expire on the date that is 15 years from the Grant Date, or any other date determined by the Board and as specified in the invitation letter. SARs that are not exercised before the Expiry Date will lapse.</p>
<b>Lapsing / forfeiture</b>	<ul style="list-style-type: none"> <li>• <i>Leaver:</i> Where a Participant ceases to be an Eligible Participant (e.g. ceases employment), all unvested SARs will lapse and be forfeited unless the Board determines otherwise in its discretion.</li> <li>• <i>Fraudulent or dishonest actions:</i> Unvested SARs will also lapse where, in the opinion of the Board, a Participant: <ul style="list-style-type: none"> <li>• acts fraudulently or dishonestly; or</li> <li>• wilfully breached their duties.</li> </ul> </li> <li>• <i>Failure to satisfy Vesting Conditions and/or Performance Hurdles:</i> SARs which do not vest (as provided for in the Vesting Notice) will automatically lapse.</li> <li>• <i>Insolvency Event:</i> Unvested SARs will lapse where an Insolvency Event (e.g. bankruptcy) occurs in relation to a Participant.</li> </ul> <p>The Board will have overriding discretion to determine in the above circumstances that some or all unvested SARs will not lapse and be forfeited.</p>
<b>Cancellation of unvested SARs</b>	<p>Subject to the Listing Rules and applicable law, a Participant and the Board may agree in writing that some or all of the unvested SARs held by a Participant be cancelled on a specified date or on the occurrence of a particular event. The Board may cancel those SARs for no consideration.</p>



<b>Disposal restrictions</b>	<p>Prior to the grant, the Board has discretion to impose Disposal Restrictions on Shares received following the exercise of SARs, by way of either a Trust or ASX Holding Lock.</p> <p>Where a Trust is used Securities acquired on exercise will be held in the Trust and restricted from disposal until the expiry of the relevant restriction period.</p> <p>Where an ASX Holding Lock is used, Securities acquired on exercise will be placed in a Holding Lock administered by the share registry and restricted from disposal until the expiry of the relevant restriction period.</p> <p>The Participant will have full dividend and voting rights during the share disposal restriction period.</p>
<b>Employee share trust</b>	<p>The Plan Rules will provide the flexibility for any Shares issued/allocated on exercise to be held via an employee share trust (i.e. the employee is the beneficial owner (with full dividend, voting rights etc.), with the trustee as the legal owner).</p> <p>This structure can provide maximum flexibility in terms of plan operation (eg. it provides flexibility as to when Shares are acquired to satisfy SARs) and tax efficiency from a Participant and Company perspective.</p>
<b>Change of Control Event</b>	<p>In the event of a change of control occurring, the Board will exercise its absolute discretion as to the manner in which unvested and vested SARs will be dealt with. A Change of Control Event means:</p> <ul style="list-style-type: none"> <li>• a change in Control of the Company;</li> <li>• where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital;</li> <li>• where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital;</li> <li>• where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and</li> <li>• where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital,</li> </ul> <p>but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.</p>
<b>Amendment</b>	<p>The Plan rules will enable the Board/Remuneration Committee to amend any of the terms stated below in subsequent offers.</p>

#### **Future approvals**

Any issues of SARs under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under the Listing Rules prior to the relevant issue.

## **Reason why shareholder approval are being sought**

### *Listing Rule 7.2 (exception 9(b))*

Listing Rule 7.1 imposes a limit on the number of equity securities that a company can issue or agree to issue without shareholder approval. Generally, the Company may not without shareholder approval issue in any 12 month period a number of equity securities that is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

Listing Rule 7.2 provides a number of exceptions to Listing Rule 7.1. Listing Rule 7.2 (exception 9(b)) essentially provides securities issued pursuant to an employee incentive scheme are not included in the calculation of the 15% limit for Listing Rule 7.1 purposes, provided that the employee incentive scheme and the issue of securities under it have been approved by shareholders within the three year period prior to the issue of securities.

Resolution 7 seeks shareholder approval for the purpose of Listing Rule 7.2 (exception 9(b)) and for all other purposes, of the Plan and the issue of securities under the Plan from time to time (including grant of SARs and the issue of any new Shares upon vesting of such SARs). If Resolution 7 is passed, all securities issue by the Company under the Plan will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of three years from the date of the approval. If Shareholders do not approve this Resolution 7, the Company may still issue securities under the Plan, but any securities may be taken into account when calculating whether the 15% limit under Listing Rule 7.1 has been reached.

By approving this Resolution 7, the Company will preserve flexibility to issue equity securities in the future up to the 15% limit set out in Listing Rule 7.1 without the need to obtain further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise. If Resolution 7 is passed, all securities issued by the Company under the Plan will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of three years.

A summary of the key terms and conditions of the Plan is set out in the table above. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the Meeting date. A copy of the Plan can also be sent to Shareholders upon request.

### **Director's recommendation**

The Directors (Mr Tate abstaining) recommend that Shareholders vote in favour of Resolution 7.

## **9 Resolution 8 – Approval for grant of SARs to Mr Tate under the Macquarie Radio Network Share Appreciation Rights Plan**

### **Background**

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 10.14 and for all other purposes, for the grant of 750,000 SARs (including the issue or transfer of Shares on vesting of those SARs) to the Executive Chairman of the Company, Mr Russell Tate.

Presently, Mr Tate receives fixed annual remuneration as disclosed on page 10 of the Remuneration Report in the 2015 Annual Report of Macquarie Radio Network Limited and does not receive any short or long term incentives or bonuses.

The objective of the proposed grant of SARs to Mr Tate is to increase the proportion of his total annual remuneration that is 'at-risk' and accordingly, better align his interests with those of Shareholders and to encourage the long-term sustainable growth of the Company.

### Shareholder approval requirement

Listing Rule 10.14 prohibits the Company from issuing securities to Directors and their associates under any employee incentive scheme unless approved by Shareholders. If approval is granted by Shareholders under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Board has also considered the application of Chapter 2E of the Corporations Act to the grant of SARs to Mr Tate and considers that the financial benefit given by such grant of SARs constitutes reasonable remuneration to Mr Tate given:

- (a) the circumstances of the Company; and
- (b) Mr Tate's role and responsibilities at the Company, for the purposes of the exception contained in section 211(1) of the Corporation Act.

Therefore the Company is not seeking Shareholder approval pursuant to section 208 of the Corporations Act in addition to the approval being sought under the Listing Rules.

### Details of the proposed grant of SARs to Mr Tate

A summary of the Company's Share Appreciation Rights Plan is set out above in this Explanatory Statement. The Performance Hurdles applicable to the SARs to be granted to Mr Tate:

- (1 July 2015 - 30 June 2016) (**Year One**) - 50% of the proposed grant of SARs (i.e. 375,000 SARs) will vest at the end of Year One if the Company achieves EBITDA of \$32 million and the Company achieves revenue growth year on year of at least 10% from FY2015 (**Year One Performance Hurdles**). Performance against the Year One Performance Hurdles will be determined having regard to the FY2016 audited accounts. If these Performance Hurdles are not satisfied, no SARs will vest at the end of Year One, however the SARs will be retained and may vest at the end of Year Two if the Year Two Performance Hurdles (as defined below) or the Year Two EBITDA Hurdle (as defined below) are satisfied.
- (1 July 2016 – 30 June 2017) (**Year Two**) – the remaining 50% of the proposed grant of SARs (i.e. 375,000 SARs) (or 100% of the SARs if none vested at the end of Year One) will vest at end of Year Two provided that the Company achieves EBITDA of \$45 million and the Company achieves revenue growth year on year of at least 7.5% (**Year Two Performance Hurdles**). Performance against the Year Two Performance Hurdles will be determined having regard to the FY2017 audited accounts.

If the Year Two Performance Hurdles are not satisfied, 50% of Mr Tate's unvested SARs at that time will vest if the Company's EBITDA (as set out in the FY2017 audited accounts) exceeds \$40 million (**Year Two EBITDA Hurdle**). The remaining 50% of Mr Tate's unvested SARs at that time will lapse.

*Example: If all of the relevant SARs (i.e. 375,000 SARs) vest in Year One, Mr Tate will have 375,000 unvested SARs when performance against the Year Two Performance Hurdles is tested. If the Year Two Performance Hurdles are not satisfied but the Company's EBITDA (as set out in the FY2017 audited accounts) exceeds \$40 million, 187,500 SARs would vest and 187,500 SARs would lapse.*

All unvested SARs will lapse if the Year Two Performance Hurdles are not satisfied or the Year Two EBITDA Hurdle is not satisfied.

### Quantum of Award

Each SAR is a right to an award (**Award**) which is calculated in the following manner:

*Subsequent Market Value – Base Price*

In relation to Mr Tate's SARs, the Board has determined:

- **Base Price** = \$1.00 per SAR

- **Performance Qualification Date** = the date the Board determines that the relevant Vesting Conditions and Performance Hurdles have been satisfied (or the date that the Board waives those conditions or hurdles)
- **Subsequent Market Value** = the 30-day value weighted average price (**VWAP**) of Shares immediately preceding the Performance Qualification Date

Mr Tate's Total Award, depending on the number of SARs that vest will be calculated in the following manner:

$$\text{Total Award (\$)} = (\text{Subsequent Market Value} - \text{Base Price}) \times \text{Number of vested SARs}$$

At the Board's discretion, the Mr Tate's Total Award (if any) may be settled in cash, via a transfer and/or issue of Shares (rounded down to the nearest whole number) or a combination of both. If the Board determines to settle the vested SARs by way of Shares, the number of Shares will be calculated in the following manner:

$$(\text{Total Award (Shares)}) = (\text{Total Award (\$)} / \text{Subsequent Market Value})$$

#### **Additional disclosures required by the Listing Rules**

The following information is provided for the purposes of Listing Rule 10.15.

<b>Recipient</b>	Mr Russell Tate, the Executive Chairman of the Company.
<b>The maximum number of Shares that may be issued in respect of the SARs (including the formula for calculating the number of securities to be issued)</b>	<p>The maximum number of SARs that may be issued to Mr Tate is 750,000.</p> <p>If all SARs were to vest, the maximum number of Shares that may be issued to Mr Tate cannot be calculated at this point in time as it will be a function of the amount of Share price growth achieved by the Company. The formula for calculating the number of Shares that may be issued upon vesting of the SARs is set out above under the heading 'Quantum of Award'.</p> <p>It is noted that vested SARs may, in the absolute discretion of the Board be settled by way of cash, Shares or a combination of both. If the SARs are settled in cash, the Company may acquire the Shares on-market including by way of an employee share trust.</p>
<b>The price payable by the holder for the issue of Shares in respect of the SARs</b>	Nil.
<b>The names of all persons referred to in Listing Rule 10.14 who received securities under the Company's Share Appreciation Rights Plan since the last Shareholder approval.</b>	Not applicable given the Company's Share Appreciation Rights Plan is a new equity incentive plan.
<b>The names of all persons referred to in Listing Rule 10.14 who are entitled to participate in the Company's Share Appreciation Rights Plan</b>	As the sole executive director, Mr Russell Tate is presently the sole person referred to in Listing Rule 10.14 who is entitled to participate in the Company's Share Appreciation Rights Plan.

<b>Date by which the Company will issue the SARs and the Shares in respect of the SARs</b>	Subject to the requisite Shareholder approval being obtained, the Company intends to issue the SARs to Mr Tate by 31 December 2015.
<b>Terms of any loan available</b>	Not applicable.

**If Shareholder approval is not obtained**

If Shareholder approval is not obtained, the 750,000 SARs will not be granted to Mr Tate. In the event that Shareholder approval is not obtained, the Board retains its discretion to provide Mr Tate with an equivalent cash benefit.

**Recommendation**

The Directors (Mr Tate abstaining) recommend that Shareholders vote in favour of this Resolution 8. 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.

**10 Resolution 9 – Auditor appointment**

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

*To appoint Ernst & Young as the company's auditor with effect from the date of Deloitte's resignation. Ernst & Young, having been nominated for appointment, has consented to act as auditor.*

In accordance with section 328B of the Corporations Act, notice in writing nominating Ernst & Young has been given to the Company by a shareholder. A copy of this notice is included in this Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

**11 Resolution 10 – Non-executive Directors' Remuneration**

The resolution, if passed, increases the maximum aggregate amount for Non-executive Directors' remuneration to \$300,000 per annum, amounting to an increase of \$100,000 from the previous maximum of \$200,000.

This increase is reasonable taking into account:

- the Directors' increased responsibilities post-merger;
- the Company's circumstances post-merger; and
- current market conditions.

Non-executive Directors, Mr James Millar AM and Ms Monique Marks, own shares in the Company and their respective votes will therefore not be counted. No other non-executive Director has a shareholding in the Company. No non-executive Director has been issued shares in the Company at any time in the preceding 3 years.

The Directors (Mr Millar and Ms Marks abstaining) unanimously recommend that the Shareholders vote in favour of Resolution 10.

# voting and entitlements

## **Voting Entitlements**

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that for the purposes of the meeting (including voting), shares will be taken to be held by those persons recorded in the Company's register as at 7.00 pm (Sydney time) on **8 November 2015**. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the meeting.

## **Proxies**

- 1 A Shareholder who is entitled to vote at the meeting may appoint:
  - one proxy if the Shareholder is only entitled to one vote; or
  - one or two proxies if the Shareholder is entitled to more than one vote.
- 2 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.

# glossary

<b>ASX</b>	ASX Limited and the securities exchange operated by it
<b>Board</b>	The board of Directors
<b>Chairman</b>	the chairman of the Meeting
<b>Company</b>	Macquarie Radio Network Limited ACN 063 906 927
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Closely related parties</b>	has the meaning given in the Corporations Act
<b>Directors</b>	the elected directors of the Company from time to time. At the date of this Notice, the directors of the Company are Mr Russell Tate, Ms Monique Marks, Mr Greg Hywood, Mr James Millar (AO) and Ms Louise McCann
<b>Explanatory Statement</b>	the explanatory statement accompanying the Notice which provides details on the items of business to be considered by Shareholders at the Meeting
<b>KMP or Key Management Personnel</b>	key management personnel who are the members of the executive leadership team comprising Russell Tate, Adam Lang and Lisa Young and each other executive and non-executive Director of the Company
<b>Listing Rules</b>	the listing rules of ASX
<b>Meeting</b>	the annual general meeting of the Company to be held on 10 November 2015
<b>Notice</b>	the Notice of Meeting which incorporates the Explanatory Statement
<b>Participant</b>	a person eligible to participate in the Plan, being an Eligible Employee
<b>Plan</b>	the Macquarie Radio Network Share Appreciation Rights Plan, the terms of which are summarised in the Explanatory Statement
<b>SAR</b>	a share appreciation right granted under the Plan
<b>Share</b>	a fully paid ordinary share in the Company
<b>Shareholder</b>	a registered holder of Shares

9 October 2015

The Company Secretary  
Macquarie Radio Network Limited  
Level 1, Building C  
33-35 Saunders St  
Pyrmont NSW 2009

Dear Lisa

**Nomination of auditor**

I, Mr Russell Tate, being a member of Macquarie Radio Network Limited nominate Ernst & Young for appointment as auditors of the Company at the Annual General Meeting to be held on 10 November 2015 (or any adjournment of that meeting).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Russell Tate', with a large, stylized initial 'R'.

Russell Tate