

notice of 2017 annual general meeting

MACQUARIE MEDIA LIMITED

ABN 32 063 906 927

("COMPANY")

Notice is given that the Annual General Meeting of Shareholders of Macquarie Media Limited will be held on **Thursday 9 November 2017** commencing at **11.00 am** (AEDT) 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 2017 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 2017 Annual Report is adopted.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1 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).

3 Resolution 2 – Re-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 re-elected as a Director of the Company.

4 Resolution 3 – Approval for grant of SARs to Mr Tate under the Macquarie Media Limited 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 375,000 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 3:

- 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 as the Chairman sees fit (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP).

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

Dated 5 October 2017

By resolution of the Board

A handwritten signature in blue ink, appearing to be 'Lisa Young', with a stylized flourish at the end.

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 9 November 2017.

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 2017.

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 2017 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 – Re-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 director rotation 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 re-election.

Ms McCann is a Non-executive Director with a diverse portfolio including technology, media, health, education, accounting and professional services. Louise's executive career was as a Chief Executive Officer and senior executive in the media and commercial market research and brand and communications sectors in Australia, New Zealand and across Asia. Ms McCann's current Non-executive Director portfolio comprises, CUA (Credit Union Australia), Grant Thornton Australia Limited, University of Notre Dame and Chartered Accountants Australia and New Zealand. From April 2011 until August 2015 Ms McCann was a Non-executive Director with ASX iiNet Limited and Chaired the Remuneration and Nominations committee. Ms McCann is also a former Non-executive Director of the Australian Physiotherapy Association.

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

4. Resolution 3 – Approval for grant of SARs to Mr Tate under the Macquarie Media Limited Share Appreciation Rights Plan (SARs Plan)

Background

At the AGM of the Company held on 10 November 2015, shareholders voted to approve the SARs Plan and for the grant of SARs to Mr Tate under the SARs Plan in respect of FY16 and FY17.

750,000 SARs were granted to Mr Tate in accordance with the approval obtained at the Company's AGM on 10 November 2015. However, none of those SARs vested and accordingly no Shares were issued or transferred to Mr Tate in accordance with the terms of those SARs.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 10.14 and for all other purposes, for the grant of 375,000 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 11 of the Remuneration Report in the 2017 Annual Report of Macquarie Media Limited and does not receive any short or long term incentives or bonuses other than any SARs which may be granted under the SARs Plan.

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 are as follows:

- 100% of the proposed grant of SARs (i.e. 375,000 SARs) will vest after the end of the financial year ending 30 June 2018 if the Company achieves EBITDA of \$40 million for that financial year (**Performance Hurdle**).
- Performance against the Performance Hurdle will be determined having regard to the FY2018 audited accounts.
- If the Performance Hurdle is not satisfied, no SARs will vest.

All unvested SARs will lapse if the Performance Hurdle is not satisfied.

Quantum of Award

Each SAR is a right to an award (**Award**), the amount of which is calculated in accordance with the following formula:

$$\text{Award} = \text{Subsequent Market Value} - \text{Base Price}$$

In relation to Mr Tate's SARs, the Board has determined that the following definitions will apply:

- **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 traded on ASX 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, 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 accordance with the following formula:

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

Additional disclosures required by the Listing Rules

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

Recipient	Mr Russell Tate, the Executive Chairman of the Company.
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)	<p>The maximum number of SARs that may be issued to Mr Tate is 375,000.</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 by way of Shares, the Company may acquire the Shares on-market including by way of an employee share trust.</p>
The price payable by the holder for the issue of SARs or Shares in respect of the SARs	Nil.
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.	Mr Tate was issued with 750,000 SARs in accordance with the approval obtained at the Company's AGM on 10 November 2015. None of those SARs vested and accordingly no Shares were issued or transferred to Mr Tate in accordance with the terms of those SARs.
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	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.
Date by which the Company will issue the SARs	Subject to the requisite Shareholder approval being obtained, the Company intends to issue the SARs to Mr Tate by 31 December 2017.
Terms of any loan available	Not applicable.

If Shareholder approval is not obtained

If Shareholder approval is not obtained, the 375,000 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 3. 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 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 (AEDT) on **7 November 2017**. 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

ASX	ASX Limited and the securities exchange operated by it
Board	The board of Directors
Chairman	the chairman of the Meeting
Company	Macquarie Media Limited ACN 063 906 927
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Closely related parties	has the meaning given in the Corporations Act
Directors	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 Anderson (nee Marks), Mr Greg Hywood, Mr James Millar (AO) and Ms Louise McCann
Explanatory Statement	the explanatory statement accompanying the Notice which provides details on the items of business to be considered by Shareholders at the Meeting
KMP or Key Management Personnel	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
Listing Rules	the listing rules of ASX
Meeting	the annual general meeting of the Company to be held on 9 November 2017
Notice	the Notice of Meeting which incorporates the Explanatory Statement
Participant	a person eligible to participate in the Plan, being an Eligible Employee
SAR	a share appreciation right granted under the Plan
SARs Plan	the Macquarie Media Limited Share Appreciation Rights Plan, the terms of which were summarised in the explanatory statement to the notice of meeting for the 2015 AGM of the Company (the Plan was then known as the Macquarie Radio Network Share Appreciation Rights Plan)
Share	a fully paid ordinary share in the Company
Shareholder	a registered holder of Shares