



12 October 2011

Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**Notice of Annual General Meeting**

Please find attached the notice of meeting for the Prime Media Group Limited Annual General Meeting (AGM) to be held on **Thursday 17 November 2011** at 11.30am at the Hilton Hotel, 488 George Street, Sydney, NSW 2000.

Yours faithfully

A handwritten signature in black ink, appearing to read "L Kennedy".

Lesley Kennedy  
Company Secretary

# **PRIME** **MEDIA GROUP**

2011 NOTICE OF ANNUAL GENERAL MEETING

# NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

Notice is hereby given that the Annual General Meeting of Prime Media Group Limited (the "**Company**") will be held on Thursday, 17 November 2011 at 11.30am at Level 1, Hilton Hotel, 488 George Street, Sydney, New South Wales, 2000.

## AGENDA

### ORDINARY BUSINESS

#### 1. Reports

To receive and consider the Reports of the Directors and of the Auditor and the Financial Report of the Company for the financial year ended 30 June 2011.

#### 2. Remuneration Report (Resolution 2)

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

*"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2011 be adopted."*

Note: The vote on Item 2 will be advisory only and will not bind the Directors or the Company.

**The Board unanimously recommends that shareholders vote in favour of the adoption of the Remuneration Report.**

**The Chairman of the Meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.**

#### 3. Re-election of Director – Ian Patrick Grier (Resolution 3)

To re-elect as a Director Mr Ian Patrick Grier who retires by rotation in accordance with Rule 15.5 of the Company's Constitution, is eligible and offers himself for re-election.

*Mr Grier was first appointed to the Board in 2008.*

**The Board (with Mr Grier abstaining) unanimously recommends that shareholders vote in favour of the re-election of Mr Grier.**

**The Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.**

#### 4. Re-election of Director – Ian Neal (Resolution 4)

To re-elect as a Director Mr Ian Neal who retires by rotation in accordance with Rule 15.5 of the Company's Constitution, is eligible and offers himself for re-election.

*Mr Neal was first appointed to the Board in 2008.*

**The Board (with Mr Neal abstaining) unanimously recommends that shareholders vote in favour of the re-election of Mr Neal.**

**The Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.**

### SPECIAL BUSINESS

#### 5. Approval of Performance Rights Plan (Resolution 5)

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

*"That approval is given for all purposes (including under Part 2D.2 of the Corporations Act 2001 (Cth) and ASX Listing Rule 7.2 (exception 9)) for:*

- the establishment of a long term equity incentive plan, to be called the Prime Media Group Limited Performance Rights Plan ("**Plan**") for the provision of incentives to eligible employees and Directors of the Company or its related bodies corporate ("**Participants**"); and*
- the grant of Performance Rights (as defined in the Plan) to Participants under the Plan;*
- any issue or transfer of ordinary shares in the Company in connection with the vesting of Performance Rights (except in circumstances where further approval by shareholders would be required under ASX Listing Rule 10.14); and*

- the giving of benefits to any person holding a managerial or executive office in the Company or its related bodies corporate ("**Prime Group**") arising from the grant of Performance Rights under the Plan prior to the date this resolution is passed (643,000 in aggregate), or within 3 years from the date this resolution is passed, in circumstances where any such person subsequently ceases to hold a managerial or executive office in the Prime Group."*

**The Board (with Mr Audsley abstaining) unanimously recommends that shareholders vote in favour of Resolution 5.**

**The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.**

#### 6. Approval of Grant of performance rights to the CEO, Mr Ian Audsley (Resolution 6)

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

*"That, subject to the resolution at Item 5 being passed, approval is given for all purposes (including Part 2D.2 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14) for:*

- Mr Ian Audsley to participate in the Prime Media Group Limited Performance Rights Plan ("**Plan**") with 615,000 performance rights being granted to him under the Plan in the 2012 financial year; and*
- any issue or transfer of ordinary shares in the Company in connection with the vesting of those performance rights,*

*in accordance with the Plan Rules (as amended from time to time) described in the Explanatory Notes accompanying this Notice of Meeting."*

**The Board (with Mr Audsley abstaining) unanimously recommends that shareholders vote in favour of Resolution 6.**

**The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.**

### VOTING EXCLUSIONS

#### Item 5 – voting exclusion

In accordance with ASX Listing Rules, the Company will disregard any votes cast on Item 5 by:

- a Director entitled to participate in any employee incentive scheme in relation to the Company; and
- an associate of those persons.

In addition, section 200E(2A) of the *Corporations Act 2001* (Cth) ("**Corporation Act**") prevents a retiring managerial or executive officer and an associate of such a person from voting on a resolution to approve the giving of a benefit on cessation of employment. The Board has therefore determined that the Company will also disregard any votes cast on Item 5 by:

- an employee of the Company or any of its related bodies corporate (as defined in the *Corporations Act*); and
- an associate of those persons,

on the basis that they may become entitled to participate in the Plan in the future.

# NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

However, subject to the restrictions on voting undirected proxies set out below, the Company need not disregard a vote on Item 5 if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Item 6 – voting exclusion

In accordance with ASX Listing Rules, the Company will disregard any votes cast on Item 6 by:

- a Director entitled to participate in any employee incentive scheme in relation to the Company (and if ASX has expressed an opinion under rule 10.14.3 that approval is required for a person's participation in any employee incentive scheme in relation to the Company, that person); and
- an associate of those persons.

However, subject to the restrictions on voting undirected proxies set out below, the Company need not disregard a vote on Item 6 if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## VOTING RESTRICTIONS FOR KEY MANAGEMENT PERSONNEL AND CLOSELY RELATED PARTIES

### Item 2 – voting restrictions

For Item 2, the Corporations Act imposes restrictions on:

- a member of key management personnel (as defined in the Corporations Act); and
- their closely related parties (as defined in the Corporations Act),

voting in any capacity (eg as a shareholder, proxy or corporate representative) on Item 2. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2011.

This restriction does not apply if the person has been appointed as a proxy by writing that specifies how the proxy is to vote on Item 2, provided that the shareholder who appointed the proxy is not themselves a person subject to the restriction on voting on Item 2.

Also, the restrictions do not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a member appoints the Chairman of the Meeting as their proxy and the member does not direct him/her how to vote on Item 2, the member acknowledges that the Chairman of the Meeting may exercise the proxy even if he/she has an interest in the outcome of Item 2 and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies (where he/she has been appropriately authorised) in favour of Item 2.

If you do not wish to appoint the Chairman of the Meeting to vote on Item 2 in the manner indicated above, the Company encourages you to complete the voting directions in respect of Item 2 in Step 2 of the proxy form.

Other key management personnel of the Company and their closely related parties will not cast any votes in respect of Item 2 that arise from any undirected proxy that they hold.

### Items 5 and 6 – restrictions on voting undirected proxies

For Items 5 and 6, the Corporations Act imposes restrictions on:

- a member of key management personnel (as defined in the Corporations Act); and
- their closely related parties (as defined in the Corporations Act),

voting as a proxy on Items 5 and 6 if the proxy appointment does not specify the way the person is to vote. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2011.

This restriction does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise the proxy.

Also, the restrictions do not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a member appoints the Chairman of the Meeting as their proxy and the member does not direct him/her how to vote on Items 5 and 6, the member acknowledges that the Chairman of the Meeting may exercise the proxy even if he/she has an interest in the outcome of Items 5 and 6 and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised) in favour of Items 5 and 6.

If you do not wish to appoint the Chairman of the Meeting to vote on Items 5 and 6 in the manner indicated above, the Company encourages you to complete the voting directions in respect of Items 5 and 6 in Step 2 of the proxy form.

Other key management personnel of the Company and their closely related parties will not cast any votes in respect of Items 5 and 6 that arise from any undirected proxy that they hold.

**DATED** at Sydney this 4th day of October 2011.

By Order of the Board



**Lesley Kennedy**  
Company Secretary

# NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

## EXPLANATORY NOTES

This Explanatory Statement is an explanation of, and contains information about, the resolutions to be considered at the Annual General Meeting, which are set out in the accompanying Notice of Annual General Meeting, to assist Shareholders to determine how they wish to vote on the resolutions. This Explanatory Statement forms part of the accompanying Notice of Annual General Meeting and should be read together with the Notice of Annual General Meeting.

## ORDINARY BUSINESS

### ITEM 1 REPORTS

In accordance with the requirements of section 317 of the Corporations Act, the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2011 will be presented to the meeting.

There is no requirement for a formal resolution on this agenda item. However, shareholders will be given a reasonable opportunity to ask questions about, and comment on, the reports.

### ITEM 2 REMUNERATION REPORT

The Board is submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding advisory ordinary resolution.

The Remuneration Report (which forms part of the Directors' Report) contains an explanation of the Company's remuneration policy and the remuneration arrangements in place for Directors and certain senior executives.

Shareholders will be given a reasonable opportunity to ask questions about, and comment on, the Remuneration Report.

The shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company.

**The Board unanimously recommends that shareholders vote in favour of the adoption of the Remuneration Report.**

**The Chairman of the Meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.**

### ITEM 3 RE-ELECTION OF DIRECTOR – IAN PATRICK GRIER

Mr Grier was employed as an executive in the private health care industry for more than 20 years until June 2008. Mr Grier has been a director with Prime Media Group Limited since 2008 and has also served on the board of Ramsay Healthcare Limited since 1997. Mr Grier is the chairman of the remuneration and nomination committee.

**The Board (with Mr Grier abstaining) unanimously recommends that shareholders vote in favour of the re-election of Mr Grier.**

**The Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.**

### ITEM 4 RE-ELECTION OF DIRECTOR – IAN NEAL

Mr Neal is the principal of Management Abroad Pty Limited. He is a Chairman of Executive Connection and consults on business strategy and implementation from a perspective of maximising shareholder value. Mr Neal has been a director of Prime Media Group Limited since 2008 and also currently serves on the boards of the following publicly listed companies: Intrapower Limited (2007), Dyesol Limited (2006) and Pearl Healthcare Limited (2008).

**The Board (with Mr Neal abstaining) unanimously recommends that shareholders vote in favour of the re-election of Mr Neal.**

**The Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.**

## SPECIAL BUSINESS

### ITEM 5 APPROVAL OF PERFORMANCE RIGHTS PLAN

**Why is Shareholder approval being sought?**

Item 5 seeks Shareholder approval for all purposes (including for the purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 7.2 (exception 9)) for a new employee incentive plan, being the Prime Media Group Limited Performance Rights Plan ("Plan").

In the case of a Director, Shares may not be issued on exercise of vested Performance Rights under the Plan without express Shareholder approval pursuant to ASX Listing Rule 10.14.

### Part 2D.2 of the Corporations Act

Item 5 seeks shareholder approval for the purposes of Part 2D.2 of the Corporations Act for the giving of benefits to any person holding a managerial or executive office in the Company or its related bodies corporate ("Prime Group") (either currently or in the future) arising from:

- the grant of Performance Rights under the Plan prior to the date that the resolution in Item 5 is passed (643,000 in aggregate); or
- within 3 years from the date that resolution is passed,

in circumstances where any such person subsequently ceases to hold a managerial or executive office in the Prime Group.

### ASX Listing Rule 7.2 (exception 9)

Listing Rule 7.1 provides a formula that limits the number of equity securities the Company may issue without Shareholder approval to 15% of each class of securities within any 12 month period.

Exception 9 of Listing Rule 7.2 provides that the 15% restriction in Listing Rule 7.1 will not apply to an issue of Shares on exercise of vested Performance Rights under the Plan where the issue has been approved by a resolution of Shareholders made during the previous 3 years.

Item 5 provides for Shareholder approval for future issues of Shares under the Plan for the purposes of Exception 9 of Listing Rule 7.2. Accordingly, if the resolution at Item 5 is passed, any Shares issued on exercise of vested Performance Rights under the Plan will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 month period (currently 15% of securities previously on issue) for a period of 3 years from the date of this approval.

### Purpose of the Plan

The aim of the plan is to align long term incentives for senior executives with the delivery of key strategic performance measures.

The Plan is being introduced following a review of the Company's remuneration strategy to address concerns about the effectiveness of the Existing Executive Share Option Plan. In particular, the Plan aims to simplify long term incentives and to make them more effective and clearly aligned with Shareholders' interests.

The Plan will allow the grant of Performance Rights to eligible persons invited to participate in the Plan by the Board ("Participants"). A Performance Right is a right to acquire a Share (being a "Performance Right Share"), subject to specified service and performance conditions being met.

In the future, it is proposed that grants of Performance Rights will be considered annually, following announcement of the Company's full-year financial results. The Board will have discretion to make grants at other times including on the commencement of employment by a person deemed by the Board to be eligible to participate in the Plan. Whilst the rules of the Plan ("Plan Rules") provide the Board with flexibility in the design of the annual offer, the Board currently intends future offers (if made) to be on terms consistent with the terms of the proposed offer in the current financial year.

### Summary of the Plan Rules

A grant of Performance Rights under the Plan is subject to both the Plan Rules and the terms of the trust deed ("Trust Deed"). Additional terms and conditions of a grant of Performance Shares (including service and performance conditions) will be set out in the relevant Participant's invitation to participate in the Plan.

### Who is eligible to participate?

The Board may, in its sole and absolute discretion, invite the following persons to participate in the Plan:

- executive directors of the Prime Group;
- full or part time employees Prime Group; and
- any other person declared by the Board to be eligible to participate in the Plan.

Non-Executive Directors of the Company are not permitted to participate in the Plan.

### Operation of the Plan

The Plan is designed to provide participating eligible employees with an increased incentive to make a contribution to the long term sustainable performance of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

The grant of Performance Rights to an eligible Participant entitles the Participant to be granted an equivalent number of Shares upon vesting of those Performance Rights. The Company has established a trust for the sole purpose of subscribing for or purchasing, delivering and allocating Performance Right Shares under the Plan. Accordingly, any Performance Right Shares will be held by the trustee on trust for the Participant in accordance with the terms of the Trust Deed and the Plan Rules. Following vesting of the Performance Rights, Participants are entitled to issue a withdrawal notice to the trustee requiring legal title in the Shares to be transferred to the Participant.

## Consideration for Performance Rights

A Participant is not required to pay any consideration for the acquisition of a Performance Right or for the acquisition of the Share on exercise of the Performance Right

## Performance or vesting conditions

Vesting of Performance Rights under the Plan will be subject to vesting conditions as determined by the Board and specified in the Participants' invitations, which will include service and performance conditions.

## Vesting timeframes

If Performance Rights have not lapsed and the performance conditions have been satisfied, Performance Rights will vest in accordance with the timeframe set out in the Participants' invitations. This time frame will usually be a minimum of three years.

## Lapsing of unvested Performance Rights

Unvested Performance Rights will lapse:

- upon the cessation of employment by the Participant (see below for further details);
- if the vesting conditions under the Plan have not been met at the vesting date; or
- if the vesting conditions have not been met and the Board determines that the vesting conditions cannot be met by the vesting date.

## Transfer of Performance Rights

A Participant is not entitled to assign, transfer, sell, encumber, hedge or otherwise deal with a Performance Right except in accordance with the Trust Deed and the Plan Rules.

## Rights attaching to Shares acquired on exercise of the Performance Rights, if any

Shares acquired on exercise of the Performance Rights, will rank equally with all existing ordinary Shares on issue and will entitle the holder of the share to all dividends or other distributions which have a record date for determining entitlements after the date that the Performance Rights were exercised.

## Quotation of Performance Rights and Shares acquired on exercise of the Performance Rights

Performance Rights will not be quoted on the ASX. The Company will apply to the ASX for official quotation of any Shares issued on exercise of Performance Rights, if other Shares are listed at that time, as soon as practicable after the Shares are issued to the Participant.

## Limitation on issue

The maximum number of Performance Rights which may be granted under the Plan must not exceed (assuming all outstanding Performance Rights were exercised), when aggregated with any shares issued during the previous 5 years pursuant to any other employee share scheme operated by the Company, five percent (5%) of the total issued capital of the Company at the time of the grant of the Performance Rights, excluding unregulated issues.

## Consequences of termination of employment

Where a Participant's employment is terminated:

- all Shares issued to or purchased by the trustee on behalf of the Participant as a consequence of the vesting of Performance Rights will be available to the Participant unless the termination was the result of gross misconduct or fraud; and
- all unvested Performance Rights will lapse unless the Board determines in its sole and absolute discretion to allow some or all of those Performance Rights to vest, in which case those Performance Rights will be automatically exercised.

In determining whether to exercise its discretion, the Board will take into account all relevant circumstances, which may include considerations such as the Participant's (and the Company's) performance against applicable performance hurdles at the date of cessation, as well as the Participant's individual performance and the period that has passed from the date of grant to the date of cessation.

## Variation to the Plan Rules

The Board may alter the Plan Rules or their application in accordance with the ASX Listing Rules and the Company's Constitution and otherwise in accordance with the terms of the Plan Rules.

## Value of the termination benefits arising out of the grant of Performance Rights

The value of any termination benefits that may be given to any person holding a managerial or executive office in the Prime Group (either currently or in the future) by reason of the exercise of the Board's discretion not to lapse any unvested Performance Rights granted to such a person on a termination of the person's employment cannot be determined in advance. This is because the value at the date of cessation of the person's employment will depend on various factors including:

- the date when, and circumstances in which, the person ceases employment;
- the Company's share price at the date of vesting;
- the number of unvested Performance Rights held by the person at the time of cessation; and
- whether the Board determines, in its sole and absolute discretion, that some or all of the unvested Performance Rights granted to the person will vest.

## Number of securities issued under the Plan since the date of the last approval

This is the first meeting at which Shareholder approval has been sought for an issue of securities under the Plan.

As at the date of this Notice of Meeting:

- 643,000 Performance Rights have been granted to employees of the Prime Group under the Plan (not including the 615,000 Performance Rights to be granted to Mr Ian Audsley if Shareholders approve the resolution contained in Item 6); and
- no Shares have been issued by the Company to the trustee (or otherwise) in connection with the vesting of any Performance Rights under the Plan.

## Other information

- A copy of the Plan Rules or the Trust Deed may be requested from the Company Secretary.
- A voting exclusion statement for the resolution contained in Item 5 is set out in the Notice of Meeting.

**The Board (with Mr Audsley abstaining) unanimously recommends that shareholders vote in favour of Resolution 5.**

**The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.**

## ITEM 6 GRANT OF PERFORMANCE RIGHTS TO MR IAN AUDSLEY, A DIRECTOR

### Why is Shareholder approval being sought?

Shareholder approval is sought for all purposes (including Part 2D.2 of the Corporations Act and ASX Listing Rule 10.14) in respect of the proposed grant of 615,000 Performance Rights to Mr Ian Audsley, and any issue or transfer of shares in the Company in connection with the vesting of those Performance Rights.

### Part 2D.2 of the Corporations Act

Shareholder approval is being sought for the purposes of Part 2D.2 of the Corporations Act for any termination benefits that might be given to Mr Audsley in connection with the grant of Performance Rights covered by Item 6.

If approved, Mr Audsley will be entitled to receive any benefit arising through these awards, in addition to any other termination benefits that may be provided to him without shareholder approval under the Corporations Act. It is intended that this approval will remain valid during the life of any securities granted pursuant to Item 6.

# NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

## ASX Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval before the following persons can acquire securities in the Company under an employee incentive plan:

- a Director;
- an associate of a Director; and
- a person whose relationship with the entity is, in the ASX's opinion, such that approval should be obtained.

Under the terms of the Trust Deed, the Board may instruct the trustee to either subscribe for or purchase a number of Shares to be held by the trustee on behalf of a Participant.

The Company is seeking the approval of Shareholders for the purpose of Listing Rule 10.14 to retain the flexibility to issue Shares to the trustee in connection with the vesting of Performance Rights granted to Mr Ian Audsley.

## Details of benefits arising out of the grant of Performance Rights to Mr Audsley

### Remuneration value of Performance Rights

As at the date of preparing this Explanatory Memorandum the Performance Rights have an approximate gross remuneration value, before applying any appropriate discount for failure to achieve performance and service conditions, of \$433,575 representing an annualised value of \$144,525.

### Other remuneration entitlements of the Director

Mr Audsley's other remuneration entitlements for the current year (FY 2012) are as follows:

- Total Fixed Remuneration – \$700,000
- Short Term Incentive (Maximum Opportunity) – \$360,000

Mr Audsley does not currently hold any security interests in Prime Media Group Limited.

### Maximum number of Shares

Each vested Performance Right, if any, will be converted to one ordinary Share on exercise. Accordingly, the maximum number of Shares that may be acquired by Mr Ian Audsley, for which Shareholder approval under Item 6 is sought, is 615,000 Shares.

The number of Performance Rights which will vest in accordance with the Plan Rules and the invitation is dependent upon achievement of performance conditions which are summarised below.

Vesting of the Performance Rights to be offered to Mr Audsley in FY 2012 will be divided into 2 tranches and will vest as follows:

- **Tranche 1 (60% of the total) – 369,000 Performance Rights**  
The vesting of Tranche 1 Performance Rights will be subject to earnings per share (EPS) growth targets to be set annually by the Board. FY12 EPS Target has been set at 7.77 cents per share, representing a growth of 4% on the FY 11 EPS of 7.4 cents per share
- **Tranche 2 (40% of the total) – 246,000 Performance Rights**  
The vesting of Tranche 2 Performance Rights will be subject to the maintenance or growth of a Power Ratio target set by the Board. FY12 Power Ratio Target has been set at >1.00. Power ratio is a key industry measure of the Company's share of advertising revenues compared to its share of audience. A power ratio of less than 1.00 means the Company is 'underperforming' and greater than 1.00 means the Company is 'outperforming'.

The vesting of the Performance Rights will also be subject to Mr Audsley remaining continuously employed with Prime Media Group until the Vesting Date.

The Vesting Date in relation to Mr Audsley's Performance Rights is 3 years after the grant date which is expected to be around 17 November 2014.

### Price payable on grant or exercise of Performance Rights

In accordance with the Plan Rules Mr Audsley will not be required to pay any amount on the grant or vesting of these Performance Rights. The Performance Rights are not transferable.

### Consequences of termination of employment

If Mr Audsley's employment is terminated all Shares issued to or purchased by the trustee on behalf of Mr Audsley as a consequence of the vesting of Performance Rights will be available to him unless the termination was the result of gross misconduct or fraud. All unvested Performance Rights will

lapse unless the Board determines in its sole and absolute discretion to allow some or all of those Performance Rights to vest, in which case those Performance Rights will be automatically exercised.

In determining whether to exercise its discretion, the Board will take into account all relevant circumstances, which may include Mr Audsley's (and the Company's) performance against applicable performance hurdles at the date of cessation, as well as Mr Audsley's individual performance and the period that has passed from the date of grant to the date of cessation.

### Change of control

If the Board determines there has been a Change of Control of the Company any unvested Performance Rights would vest on a pro-rata basis, unless otherwise determined by the Board.

### Restrictions on Shares acquired on exercise of Performance Rights

Shares acquired on exercise of the Performance Rights, if any, may be subject to a disposal or trading restriction under the Company's share trading policy. Any such restriction would be considered a genuine disposal restriction under the terms of the Employee Share Scheme (ESS) legislation.

### Terms of any loan relating to the acquisition of Shares

There are no loans relating to the acquisition of Shares under the Plan.

### Date by which grants of Performance Rights may be made

It is proposed that the Performance Rights will be granted to Mr Ian Audsley following the AGM on 17 November 2011, if approved by shareholders, and in any event no later than 17 November 2012.

### Value of termination benefits arising out of the grant of Performance Rights to Mr Audsley

The value of any termination benefits that may be given to Mr Audsley by reason of the exercise of the Board's discretion not to lapse unvested Performance Rights held by Mr Audsley on a termination of his employment cannot be determined in advance. This is because the value at the date of cessation of Mr Audsley's employment will depend on various factors including:

- the date when, and circumstances in which, Mr Audsley ceases employment;
- the Company's share price at the date of vesting;
- the number of unvested Performance Rights held by Mr Audsley at the time of cessation; and
- whether the Board determines, in its sole and absolute discretion, that some or all of the Mr Audsley's unvested Performance Rights will vest.

### Names of all persons referred to in ASX Listing Rule 10.14 who have been issued Shares since the last approval

This is the first meeting at which Shareholder approval has been sought for an issue of Shares to the trustee on behalf of a person referred to in ASX Listing Rule 10.14 on the vesting of Performance Rights granted under the Plan. Accordingly, no Shares have previously been issued to the trustee (or otherwise) on behalf of such a person in connection with the vesting of Performance Rights under the Plan.

### Additional information

In accordance with the Corporations Act and ASX Listing Rules, the Company provides the following information concerning the Performance Rights to be awarded to Mr Audsley:

- The details of any Shares granted to Mr Audsley under the Plan will be published in each annual report relating to a period in which Shares have been granted to Mr Audsley. The relevant annual report will also include a statement that approval for the grant of the Shares was obtained pursuant to ASX Listing Rule 10.14.
- Any additional persons who become entitled to participate in the Plan following approval of this resolution will not participate in the Plan until approval is obtained under Listing Rule 10.14.
- A voting exclusion statement for the resolution contained in Item 6 is set out in the Notice of Meeting.

**The Board (with Mr Audsley abstaining) unanimously recommends that shareholders vote in favour of Resolution 6.**

**The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.**

# NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

## NOTES

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies.
2. If a Member appoints two proxies, each proxy may be appointed to represent a specified proportion or number of the Member's votes. If the proportion or number is not specified, each proxy may exercise half of the Member's votes. Fractional votes will be disregarded.
3. A proxy form is attached to this notice. If you wish to appoint two proxies, you may obtain another proxy form from the Company or copy the enclosed form.
4. A person appointed as proxy need not be a Member of the Company.
5. Where a proxy is appointed by a Member's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) must be lodged with the proxy form.
6. To appoint a proxy, a proxy form must be signed by the Member or the Member's attorney duly authorised in writing. If the Member is a corporation, the proxy form must be signed as provided by section 127 of the *Corporations Act 2001* (Cth) or under the hand of its attorney or officer duly authorised.
7. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company's Share Registrar, Link Market Services Limited, by **11:30 am on 15 November 2011**. The proxy form should be posted to:

Locked Bag A14, Sydney South, NSW, 1235.

Alternatively, the proxy form can be sent by facsimile to Link Market Services Limited on **(02) 9287 0309** so that it reaches the Share Registrar by that time and date.
8. If a Member holds a share jointly with another person or persons, either of them may sign the proxy form.
9. Should the member desire to direct the proxy how to vote, the Member should mark the appropriate column in respect of one or more items on the proxy form, otherwise the proxy may vote as he or she thinks fit or abstain from voting.
10. The Company has determined that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the share register as at **7.00pm on 15 November 2011**.

**PRIME**  
**MEDIA GROUP**

[www.primemedia.com.au](http://www.primemedia.com.au)



By mail:  
Prime Media Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



By fax: (02) 9287 0309



All enquiries to: Telephone: (02) 8280 7111



X99999999999

### SECURITYHOLDER VOTING FORM

I/We being a member(s) of Prime Media Group Limited and entitled to attend and vote hereby appoint:

#### STEP 1

#### APPOINT A PROXY

the Chairman  
of the Meeting  
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:30am on Thursday, 17 November 2011, at [Venue] and at any adjournment or postponement of the meeting.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

#### IMPORTANT NOTE FOR RESOLUTIONS 2, 5 AND 6

The Chairman of the Meeting intends to vote any undirected proxy in favour of the Resolutions 2, 5 and 6. If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 2, 5 and 6, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he/she has an interest in the outcome of those Resolutions and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

If you do not wish to appoint the Chairman of the Meeting to vote on Resolutions 2, 5 and 6 and in the manner indicated above, the Company encourages you to complete the voting direction in Step 2.

Other Directors and other key management personnel of the Company and their closely related parties (see Notice of Meeting) will not cast any votes in respect of Resolutions 2, 5 and 6 that arise from any undirected proxy that they hold.

Voting restrictions for key management personnel and closely related parties are detailed in the Notice of Meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

#### STEP 2

#### VOTING DIRECTIONS

##### Resolution 2

Remuneration Report  
(non-binding resolution)

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 5

Approval of Performance Rights Plan

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 3

Re-election of Director -  
Ian Patrick Grier

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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##### Resolution 6

Approval of grant of Performance  
Rights to the CEO, Mr Ian Audsley

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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##### Resolution 4

Re-election of Director -  
Ian Neal

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

#### STEP 3

#### SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

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



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

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

### Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

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

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

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

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

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am on Tuesday, 15 November 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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



**ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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



**by mail:**

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C/- Link Market Services Limited  
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Sydney South NSW 1235  
Australia



**by fax:**

(02) 9287 0309



**by hand:**

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**