

17 October 2014

Company Announcements Office
Australian Securities Exchange
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By electronic lodgement

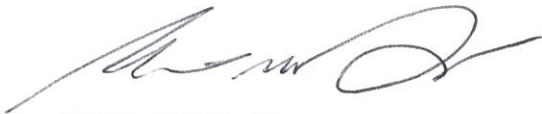
Dear Sir/Madam

NOTICE OF ANNUAL GENERAL MEETING (ASX:PRT)

Please find attached the Notice of Meeting and Proxy Form for the shareholders, which will be dispatched today with the Annual Report.

The Annual General Meeting will be held on **Thursday, 20 November 2014 at 11.30am** at Doltone House, Darling Island Wharf, Ground Floor, 48 Pirrama Road, Pyrmont NSW 2009.

Yours faithfully



Emma McDonald
Company Secretary



PRIME **MEDIA GROUP**

2014 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 20 November 2014 at 11.30am at Doltone House, Darling Island Wharf, Ground Floor, 48 Pirrama Road, Pyrmont NSW 2009 (entry also via Trouton Place, Pyrmont)

CONTENTS

Agenda	3
Voting exclusions	4
Voting restrictions for Key Management Personnel and closely related parties	4
Proxies	5
“Snapshot” time	5
Explanatory notes	6
Ordinary business	6
Special business	7
Definitions	11

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 2014.

2. Remuneration Report (Resolution 1)

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 2014 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 undirected proxies in favour of the adoption of the Remuneration Report.

3. Election of Director – Mr John Kenneth Hartigan (Resolution 2)

To elect as a Director Mr John Kenneth Hartigan, who was appointed to the Board on 15 May 2014 to fill a vacancy in accordance with Rule 15.4 of the Company's Constitution, is eligible, and offers himself for election.

The Board (with Mr Hartigan abstaining) unanimously recommends that Shareholders vote in favour of the election of Mr Hartigan.

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

4. Election of Director – Mr Peter John Macourt (Resolution 3)

To elect as a Director Mr Peter John Macourt, who was appointed to the Board on 1 September 2014 as an additional director in accordance with Rule 15.4 of the Company's Constitution, is eligible, and offers himself for election.

The Board (with Mr Macourt abstaining) unanimously recommends that Shareholders vote in favour of the election of Mr Macourt.

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

5. Re-election of Director – Mr Ian Richard Neal (Resolution 4)

To re-elect as a Director Mr Ian Richard 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.

6. Re-election of Director – Mr Alexander Andrew Hamill (Resolution 5)

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

Mr Hamill was first appointed to the Board in 2003.

The Board (with Mr Hamill abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Mr Hamill.

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

SPECIAL BUSINESS

7. Approval of the Prime Media Group Limited Performance Rights Plan (Resolution 6)

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

"That for the purposes of ASX Listing Rule 7.2 Exception 9(b) and for all other purposes (including Part 2D.2 of the Corporations Act 2001 (Cth)), the issue of performance rights under the terms of the Prime Media Group Limited Performance Rights Plan ("Plan"), as detailed in the Explanatory Notes accompanying this Notice of Meeting, be and are hereby approved, until midnight on 19 November 2017, as an exception to Listing Rule 7.1."

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

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 6.

8. Approval of grant of Performance Rights to the CEO, Mr Ian Audsley (Resolution 7)

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

"That approval is given for all purposes (including Part 2D.2 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14) for:

- a) Mr Ian Audsley to participate in the Plan with 600,000 performance rights being granted to him under the Plan in the 2015 financial year ("2015 Grant"); and*
- b) any issue or transfer of ordinary shares in the Company in connection with the vesting of the Performance Rights granted under the 2015 Grant,*

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

The Board (with Mr Audsley abstaining) considers the grant of Performance Rights to Mr Audsley to be appropriate in all the circumstances and unanimously recommends that Shareholders vote in favour of Resolution 7.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 7.

NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

VOTING EXCLUSIONS

ITEM 7 (RESOLUTION 6) – VOTING EXCLUSION

In accordance with ASX Listing Rules, the Company will disregard any votes cast on Item 7 (Resolution 6) 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) (“**Corporations 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 7 (Resolution 6) 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 an employee of the Company or of its related bodies corporate may become entitled to participate in the Plan in the future.

However, subject to the restrictions on voting undirected proxies set out below, the Company need not disregard a vote on Item 7 (Resolution 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.

ITEM 8 (RESOLUTION 7) – VOTING EXCLUSION

In accordance with ASX Listing Rules and the *Corporations Act*, the Company will disregard any votes cast on Item 8 (Resolution 7) by:

- Mr Ian Audsley; and
- an associate of Mr Ian Audsley.

However, subject to the restrictions on voting undirected proxies set out below, the Company need not disregard a vote on Item 8 (Resolution 7) 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 (RESOLUTION 1) – 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 (Resolution 1). The Remuneration Report identifies the Company’s key management personnel for the financial year to 30 June 2014.

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 (Resolution 1), provided that the Shareholder who appointed the proxy is not themselves a person subject to the restriction on voting on Item 2 (Resolution 1).

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 even if the resolution is connected directly or indirectly with the remuneration of a member of the Company’s key management personnel. If a Shareholder appoints the Chairman of the Meeting as their proxy and the Shareholder does not direct him/her how to vote on Item 2 (Resolution 1), the Shareholder acknowledges that the Chairman of the Meeting may exercise the proxy even if he/she has an interest in the outcome of Item 2 (Resolution 1) 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 (Resolution 1).

If you do not wish to appoint the Chairman of the Meeting to vote on Item 2 (Resolution 1) in the manner indicated above, the Company encourages you to complete the voting directions in respect of Item 2 (Resolution 1) 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 (Resolution 1) that arise from any undirected proxy that they hold.

ITEM 7 (RESOLUTION 6) AND ITEM 8 (RESOLUTION 7) – RESTRICTIONS ON VOTING UNDIRECTED PROXIES

For Item 7 (Resolution 6) and Item 8 (Resolution 7), 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 Item 7 (Resolution 6) and Item 8 (Resolution 7) 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 2014.

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 Shareholder appoints the Chairman of the Meeting as their proxy and the Shareholder does not direct him/her how to vote on Item 7 (Resolution 6) and Item 8 (Resolution 7), the Shareholder acknowledges that the Chairman of the Meeting may exercise the proxy even if he/she has an interest in the outcome of Item 7 (Resolution 6) and Item 8 (Resolution 7) 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 Item 7 (Resolution 6) and Item 8 (Resolution 7).

If you do not wish to appoint the Chairman of the Meeting to vote on Item 7 (Resolution 6) and Item 8 (Resolution 7) in the manner indicated above, the Company encourages you to complete the voting directions in respect of Item 7 (Resolution 6) and Item 8 (Resolution 7) 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 7 (Resolution 6) and Item 8 (Resolution 7) that arise from any undirected proxy that they hold.

PROXIES

1. A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies.
2. If a Shareholder appoints two proxies, each proxy may be appointed to represent a specified proportion or number of the Shareholder's votes. If the proportion or number is not specified, each proxy may exercise half of the Shareholder's votes. Fractional votes will be disregarded.
3. A proxy form is attached to this Notice of Meeting. 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 Shareholder of the Company.
5. Where a proxy is appointed by a Shareholder'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 Shareholder or the Shareholder's attorney duly authorised in writing. If the Shareholder is a corporation, the proxy form must be signed as provided by section 127 of the Corporations Act 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 **11:30am on Tuesday 18 November 2014**. 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 the required time and date.
8. If a Shareholder holds a share jointly with another person or persons, either of them may sign the proxy form.
9. Should the Shareholder desire to direct the proxy how to vote, the Shareholder 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.

"SNAPSHOT" TIME

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 Tuesday 18 November 2014**.

DATED at Sydney this 17 October 2014.

By Order of the Board



Emma McDonald
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 Meeting, to assist Shareholders to determine how they wish to vote on the resolutions. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read together with the Notice of 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 2014 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 (RESOLUTION 1)

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 undirected proxies in favour of the adoption of the Remuneration Report.

ITEM 3 ELECTION OF DIRECTOR

– MR JOHN KENNETH HARTIGAN (RESOLUTION 2)

Mr Hartigan headed News Corporation's Australian operations as Chairman and Chief Executive Officer of News Limited. Mr Hartigan was a director of News Limited, Queensland Press, Advertiser Newspapers, and The Herald and Weekly Times Limited. He was also a director of FOXTEL and chairman of Australian News Channel, which owns and operates Sky News. He has worked in advisory positions for the American Australian Association and the NSW Export and Investment Advisory Board. Mr Hartigan is a director of The Bradman Foundation, a trustee of the Sydney Cricket and Sports Ground Trust, and Chairman of Destination NSW.

The Board (with Mr Hartigan abstaining) unanimously recommends that Shareholders vote in favour of the election of Mr Hartigan.

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

ITEM 4 ELECTION OF DIRECTOR

– MR PETER JOHN MACCOURT (RESOLUTION 3)

Mr Maccourt is a former director and chief operating officer of News Limited. While at News Limited he served as a director of Premier Media, which owns and operates the Fox Sports channel group, FOXTEL, Independent Newspapers Limited and a number of subsidiaries and associates of The News Corporation Limited. He is Chairman of Sky Network Television Limited (NZ) (ASX:SKT) and Virtus Health Limited (ASX:VRT).

The Board (with Mr Maccourt abstaining) unanimously recommends that Shareholders vote in favour of the election of Mr Maccourt.

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

ITEM 5 RE-ELECTION OF DIRECTOR

– MR IAN RICHARD NEAL (RESOLUTION 4)

Mr Neal is a Chair for The Executive Connection and consults on business strategy and implementation from a perspective of maximising shareholder value. Prior to establishing Management Abroad Pty Limited, Mr Neal was co-founder and Managing Director of Nanyang Ventures Pty Limited from 1993 to 2004. Mr Neal's professional background is in financial markets, commencing as an equities analyst and moving to various banking positions until establishing Nanyang Ventures. Mr Neal is a director of Dyesol Limited (ASX:DYE) and is a life member of the Financial Services Institute of Australia.

He is a member of the Audit and Risk Committee of the Company.

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.

ITEM 6 RE-ELECTION OF DIRECTOR

– MR ALEXANDER ANDREW HAMILL (RESOLUTION 5)

Mr Hamill has worked in marketing and advertising in Australia and globally for over 45 years. Mr Hamill was the Media Director of the Australian Olympic Team in Sydney (2000), Athens (2004) and Beijing (2008).

Mr Hamill is a member of the Remuneration and Nomination Committee of the Company.

The Board (with Mr Hamill abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Mr Hamill.

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

SPECIAL BUSINESS

ITEM 7 APPROVAL OF THE PRIME MEDIA GROUP LIMITED PERFORMANCE RIGHTS PLAN (RESOLUTION 6)

Why is Shareholder approval being sought?

Item 7 (Resolution 6) 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 the employee incentive plan approved in the Annual General Meeting on 17 November 2011, being the Prime Media Group Limited Performance Rights Plan ("**Plan**") to remain as the employee incentive plan of the Company.

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 7 (Resolution 6) 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 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 securities under an employee incentive scheme where the issue has been approved by a resolution of Shareholders made during the previous 3 years.

Item 7 (Resolution 6) 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 Resolution 6 at Item 7 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 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.

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

The grant of Performance Rights to an eligible Participant entitles the Participant to 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 ("**Trust**"). Any Performance Right Shares will be held by the trustee of the Trust ("**Trustee**") on trust for the Participant in accordance with the terms of the Trust Deed and 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 establishing the Trust ("**Trust Deed**"). Additional terms and conditions of a grant of Performance Shares (including service and performance conditions) are 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 of the 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.

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 Performance Rights or for the acquisition of the Share on exercise of the Performance Rights.

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 vesting conditions have been satisfied, Performance Rights will vest in accordance with the vesting date set out in the Participants' invitations. The time frame for vesting 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 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.

NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

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

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.

The Performance Rights will not entitle the Participant to new issues of Shares prior to exercise.

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.

Capital Reorganisation

In the event of any variation in the share capital or reorganisation of capital, a Participant's Performance Rights and Shares allocated to the Participant on vesting of the Performance Rights will be adjusted under the Plan Rules to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Consequences of termination of employment

Where a Participant's employment ceases:

- 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 cessation of employment 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 cessation 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 2011 Approved Plan

At the 2011 AGM, Shareholders approved the Prime Media Group Limited Performance Rights Plan ("**2011 Approved Plan**"), established to align long term incentives for senior executives with the delivery of key strategic performance measures. A summary of the rules of the 2011 Approved Plan is set out in the Explanatory Statement accompanying the notice of meeting for the Company's 2011 AGM.

As at the date of this Notice of Meeting:

- 4,893,438 performance rights have been granted to employees of the Prime Group under the 2011 Approved Plan; and
- no Shares have been issued by the Company to the Trustee (or otherwise) in connection with the vesting of performance rights under the 2011 Approved Plan.

Other information

- A copy of the Plan Rules and the Trust Deed may be requested by any Shareholder from the Company Secretary.
- A voting exclusion statement for the resolution contained in Item 7 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 undirected proxies in favour of Resolution 6.

ITEM 8 GRANT OF PERFORMANCE RIGHTS TO MR IAN AUDSLEY, A DIRECTOR

Introduction

At the 2011 AGM, Shareholders approved:

- the 2011 Approved Plan; and
- the grant of a total of 615,000 performance rights to Mr Audsley under the 2011 Approved Plan ("**2012 Grant**").

At the 2012 AGM, Shareholders approved the grant of a further 700,000 performance rights to Mr Audsley under the 2011 Approved Plan ("**2013 Grant**").

At the 2013 AGM, Shareholders approved the grant of a further 500,000 performance rights to Mr Audsley under the 2011 Approved Plan ("**2014 Grant**").

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 600,000 Performance Rights to Mr Audsley under the Plan in the 2015 financial year ("**2015 Grant**"), and any issue or transfer of ordinary shares in the Company in connection with the vesting of the Performance Rights granted under the 2015 Grant.

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 Performance Rights proposed to be granted under the 2015 Grant.

If approved, Mr Audsley will be entitled to receive any benefit in relation to the 2015 Grant, in addition to any other termination benefits that may be provided to him in accordance with the Corporations Act. It is intended that this approval will remain valid during the life of any securities granted pursuant to Item 8 (Resolution 7).

ASX Listing Rule 10.14

ASX 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 on vesting of that Participant's Performance Rights.

The Company is seeking the approval of Shareholders for the purpose of ASX Listing Rule 10.14 to retain the flexibility to issue Shares to the Trustee in connection with the vesting of Performance Rights proposed to be granted under the 2015 Grant.

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 proposed to be granted under the 2015 Grant have an approximate gross remuneration value, before applying any appropriate discount for failure to achieve performance and service conditions, of \$477,600.

Other remuneration entitlements of the Director

Mr Audsley's other remuneration entitlements for the current year (FY 2015) are as follows:

- Total Fixed Remuneration – \$800,000
- Short Term Incentive (Maximum Opportunity) – \$500,000

Mr Audsley currently holds 1,815,000 performance rights granted by the Company pursuant to:

- the 2012 Grant, which was approved by the Shareholders at the 2011 AGM;
- the 2013 Grant, which was approved by the Shareholders at the 2012 AGM; and
- the 2014 Grant, which was approved by the Shareholders at the 2013 AGM.

Maximum number of Shares

Each Performance Right proposed to be granted under the 2015 Grant, will entitle Mr Audsley to one ordinary Share on vesting. Accordingly, the maximum number of Shares that may be acquired by Mr Audsley, for which Shareholder approval under Item 8 (Resolution 7) is sought, is 600,000 Shares.

The number of Performance Rights proposed to be granted under the 2015 Grant, which will vest in accordance with the Plan Rules and the invitation to Mr Audsley to participate in the Plan, is dependent upon achievement of vesting conditions.

Vesting of the Performance Rights proposed to be granted under the 2015 Grant will be divided into 2 tranches and will vest as follows:

- **Tranche 1** (60% of the total) – 360,000 Performance Rights
The vesting of Tranche 1 Performance Rights will be subject to core earnings per share ("EPS") growth targets to be set annually by the Board.
- **Tranche 2** (40% of the total) – 240,000 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. The FY15 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 date in relation to the Performance Rights proposed to be granted under the 2015 Grant is 3 years after the grant date. The vesting date is therefore expected to be around 20 November 2017.

The vesting of the Performance Rights proposed to be granted under the 2015 Grant will also be subject to Mr Audsley remaining continuously employed with the Company until the vesting date.

NOTICE OF ANNUAL GENERAL MEETING

PRIME MEDIA GROUP LIMITED (ACN 000 764 867)

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 the Performance Rights proposed to be granted under the 2015 Grant. These Performance Rights are not transferable.

Consequences of termination of employment

If Mr Audsley's employment is terminated, all Shares issued to, subscribed for or acquired by the Trustee on behalf of Mr Audsley as a consequence of the vesting of Performance Rights proposed to be granted under the 2015 Grant 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 proposed to be granted under the 2015 Grant 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 proposed to be granted under the 2015 Grant, 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 under the 2015 Grant will be granted to Mr Audsley following the Annual General Meeting on 20 November 2014, if approved by Shareholders, and in any event no later than 12 months after the Annual General Meeting.

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 to vest some or all of the 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 (whether those rights were granted under the 2012 Grant, the 2013 Grant, the 2014 Grant, the 2015 Grant or the grant of Performance Rights in any other financial year approved by Shareholders); 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 securities since the last approval

At the Company's 2011 AGM, Shareholders approved the grant of 615,000 performance rights to Mr Audsley under the Plan. These performance rights were granted to Mr Audsley on 23 November 2011 for nil consideration.

At the Company's 2012 AGM, Shareholders approved the grant of 700,000 performance rights to Mr Audsley under the Plan. These performance rights were granted to Mr Audsley on 28 November 2012 for nil consideration.

At the Company's 2013 AGM, Shareholders approved the grant of 500,000 performance rights to Mr Audsley under the Plan. These performance rights were granted to Mr Audsley on 19 November 2013 for nil consideration.

At present, Mr Audsley is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the Plan.

None of Mr Audsley's performance rights have vested.

Additional information

In accordance with the Corporations Act and ASX Listing Rules, the Company provides the following information concerning the Performance Rights proposed to be granted under the 2015 Grant:

- the details of any Shares issued to Mr Audsley under the Plan will be published in each annual report relating to a period in which Shares have been issued to Mr Audsley. The relevant annual report will also include a statement that approval for the grant of the Shares was obtained under 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 ASX Listing Rule 10.14; and
- a voting exclusion statement for the resolution contained in Item 8 (Resolution 7) is set out in the Notice of Meeting.

The Board (with Mr Audsley abstaining) considers the grant of Performance Rights to Mr Audsley to be appropriate in all the circumstances and unanimously recommends that Shareholders vote in favour of Resolution 7.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 7.

DEFINITIONS

\$ means Australian dollars, the lawful currency of Australia.

2011 AGM means the general meeting of Shareholders held on Thursday, 17 November 2011.

2012 AGM means the general meeting of Shareholders held on 28 November 2012.

2013 AGM means the general meeting of Shareholders held on 19 November 2013.

Annual General Meeting means the general meeting of Shareholders convened by this Notice of Meeting, to be held on Thursday, 20 November 2014 at 11.30am at Doltone House, Darling Island Wharf, Ground Floor, 48 Pirrama Road, Pyrmont NSW 2009 (entry is also available via Trouton Place, Pyrmont, off Darling Island Road).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means, the listing rules of ASX as amended from time to time, except to the extent of any express written waiver by ASX in their application to the Company, and **ASX Listing Rule** or **Listing Rule** means any one of them.

Company means Prime Media Group Limited ACN 000 764 867.

Director means a director of the Company.

Notice of Meeting means the Notice of Annual General Meeting of which this Explanatory Memorandum forms part.

Performance Rights means performance rights granted under the Plan.

Shareholders means the members of the Company who are registered as the holders of one or more of the Shares as at the relevant time and Shareholder means any one of them.

Shares means fully paid ordinary shares in the capital of the Company and Share means any one of them.

PRIME
MEDIA GROUP

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: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



X99999999999

PROXY 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 shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting is appointed as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at 11:30am on Thursday, 20 November 2014 at Doltone House, Darling Island Wharf, Ground Floor, 48 Pirrama Road, Pyrmont NSW 2009 (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Re-election of Director - Mr Alexander Andrew Hamill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director - Mr John Kenneth Hartigan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Approval of the Prime Media Group Limited Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Director - Mr Peter John Macourt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Approval of grant of Performance Rights to the CEO, Mr Ian Audsley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Director - Mr Ian Richard Neal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * 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 SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign.

If executed by a company, the form must be executed in accordance with S127 of the Corporations Act 2001 (Cth) or under the hand of its duly authorised officer or attorney. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form.

PRT PRX401R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

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 shares 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 shares 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 share 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 shares 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; and
- (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 shareholder 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 share registry or online at www.linkmarketservices.com.au.

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, 18 November 2014**, 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

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, shareholders 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:

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



by fax:

+61 2 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.