



2 October 2018

Dear Shareholder,

On behalf of the Directors of GTN Limited (**GTN**) I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of GTN. Enclosed is the Notice of Meeting setting out the business of the AGM.

GTN's 2018 AGM will be held on Thursday, 8 November 2018 commencing at 10:00am (Sydney time) at Sheraton on the Park, 161 Elizabeth Street, Sydney New South Wales 2000.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 10:00am (Sydney time) on Tuesday, 6 November 2018 in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote in each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of GTN unanimously recommend that shareholders vote in favour of all resolutions.

Thank you for your continued support of GTN and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,

Robert Loewenthal  
**Chairman**

**GTN LIMITED**  
**ABN 38 606 841 801**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (**AGM** or the **Meeting**) of shareholders of GTN Limited (**GTN** or the **Company**) will be held:

Date: Thursday, 8 November 2018  
Time: 10:00am (Sydney time)  
Venue: Sheraton on the Park,  
161 Elizabeth Street,  
Sydney, New South Wales 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

**A. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the financial year ended 30 June 2018.

All shareholders can view the 2018 Annual Report which contains the Financial Report and the Independent Auditor's Report for the year ended 30 June 2018 on the Company's website at <http://www.gtnetwork.com.au>

**B. QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

## **C. ITEMS FOR APPROVAL**

### **Resolution 1. Re-election of Director – Robert Loewenthal**

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

*“That Robert Loewenthal, who retires in accordance with clause 10.3(b)(iv) of the Company’s Constitution and being eligible for election, is re-elected as a Director of the Company.”*

### **Resolution 2. Remuneration Report**

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

*“That the Company’s Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors’ Report, is adopted.”*

The Remuneration Report is contained in the 2018 Annual Report (available at <http://www.gtnetwork.com.au/investor-centre/?page=reports>). Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

A vote on Resolution 2 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2018 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
  - i. does not specify the way the proxy is to vote on the resolution; and
  - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 2 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the *Corporations Act 2001* (Cth).

### **Resolution 3. Issue of Options under the GTN Long Term Incentive Plan – William Yde III**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company approves the grant of up to 1,350,000 Options to acquire fully paid ordinary shares in the Company to William Yde*

*III under the GTN Long Term Incentive Plan on the terms described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.”*

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a. William Yde III; or
- b. an associate of William Yde III.

However, the Company need not disregard a vote cast on Resolution 3 if:

- a. 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
- b. it is cast by the person chairing 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.

The Non-Executive Directors are ineligible to participate in the GTN Long Term Incentive Plan. As a result, Non-Executive Directors will not be excluded from voting on Resolution 3.

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the *Corporations Act 2001* (Cth).

**Resolution 4. Renewal of proportional takeover provisions in the Constitution**

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

“That articles 6.8 to 6.12 of the Constitution of the Company, as set out in Schedule 1 of the Notice of Meeting, are renewed for a period of three years commencing on the day this resolution is passed.”

**BY ORDER OF THE BOARD**



**Anna Sandham**  
**Company Secretary**  
2 October 2018

## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on Tuesday, 6 November 2018 (being two days before date of Meeting) will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### *Appointment of Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the **Act**) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10:00am (Sydney time) on Tuesday, 6 November 2018 (48 hours before AGM). Proxies must be received before that time by one of the following methods:

- By post: GTN Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia
- By facsimile: (02) 9287 0309 (within Australia)  
+61 2 9287 0309 (from outside Australia)
- By delivery in person: Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138
- Online: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

### *Power of Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10:00am (Sydney time) on Tuesday, 6 November 2018, being 48 hours before the AGM.

### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IMPORTANT:** If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on resolution 2 and resolution 3, then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

### **SHAREHOLDER QUESTIONS**

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select Voting then click 'Ask a Question'.

To allow time to collate questions and prepare answers, please submit any questions by 10:00am (Sydney time) on Thursday, 1 November 2018. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

### **ENCLOSURES**

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on GTN's share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return the proxy form.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held at 10:00am (Sydney time) on Thursday, 8 November 2018.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 1 and 3 are ordinary resolutions, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolution 2, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Resolution 4, relating to the renewal of the proportional takeover provisions in the Constitution is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

### **Resolution 1. Re-Election of Director – Robert Loewenthal**

Robert Loewenthal was appointed an independent Non-executive Director of GTN in April 2016 and was appointed independent Non-executive Chairman of GTN in November 2017 after acting in that role for a period of 9 months.

Robert has over 12 years of experience in the radio industry. He currently operates private corporate advisory and consulting business, Free Trade Hall, and is the Founder of the Whooshkaa Audio Technology and Podcasting Platform. Robert is also a Director of the Media Industry Charity, 'Unltd'.

Robert formerly held the role of Managing Director of Macquarie Radio Network, where he had previously acted as Chief Operating Officer and company secretary.

Robert is a Chartered Accountant and holds a Bachelor of Commerce degree from The University of Sydney.

*The Directors, with Robert Loewenthal abstaining, unanimously recommend Shareholders vote in favour of this Resolution.*

### **Resolution 2. Remuneration Report**

Section 250R(2) of the Corporations Act 2001 (Cth) (the **Act**) requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the 2018 Annual Report which is available on GTN's website at <http://www.gtnetwork.com.au/investor-centre/?page=reports>.

Following consideration of the Remuneration Report, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

*The Directors abstain, in the interests of good governance, from making a recommendation in relation to this Resolution.*

### **Resolution 3. Issue of Options under the GTN Long Term Incentive Plan – William Yde III**

This resolution deals with the proposed grant of Options (**Options**) to Mr William Yde III, the Company's Managing Director to acquire fully paid ordinary shares (**Shares**) in the Company under the GTN Long-term Incentive Plan (**Plan**). The Company has agreed, subject to obtaining shareholder approval, to grant up to 1,350,000 Options to Mr William Yde III under the terms and conditions of the Plan. This award represents Mr Yde's long term incentive remuneration for the period 1 July 2017 to 30 June 2018.

The ASX Listing Rules (**Listing Rules**) and the Corporations Act 2001 (Cth) set out a number of regulatory requirements which must be satisfied. These are summarised below:

#### ASX Listing Rule 10.14

Listing Rule 10.14 requires the approval of ordinary shareholders to issue securities under an employee incentive scheme to a Director of the Company. Accordingly, approval for the grant of the Options to Mr Yde is required.

Approval of this resolution will result in the grant to Mr Yde falling within exception 14 in Listing Rule 7.2. Therefore, the issue of Options, and the Shares issued on vesting of any Options, to Mr Yde will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

#### Purpose of the Plan

The Company has established the Plan to appropriately motivate, retain and reward employees for achieving growth targets and sustainable performance over the long term by allowing executives to build up an equity ownership aligning their interest with that of the Shareholders. The Plan provides eligible Participants with an opportunity to acquire an ownership interest in GTN and gain an economic exposure to the value of GTN shares.

Other members of senior management, selected by the Board, have been granted Options under the Plan on similar terms to Mr Yde.

#### Calculation of the proposed number of Options

The Board intends that the value of the grant of Options to Mr Yde will be approximately \$US501,545 (converted to an Australian dollar equivalent using the spot foreign exchange rate on the date of grant). To determine the value of each Option at the time of grant, the Board uses a fair value calculation (applying the Black Scholes option valuation method), which takes into account what the grant may be worth over the life of the options. When applying the Black Scholes option valuation, the Board may make certain assumptions it deems fair and reasonable. The actual Option grant to Mr. Yde may be less than the 1,350,000 Options set forth herein based upon such calculations on the date of grant.

It is proposed that Mr Yde be granted up to 1,350,000 Options. The actual Option grant to Mr. Yde may be less than the 1,350,000 Options set forth herein based upon the calculation set forth above on the



date of grant. The Options will be granted to Mr Yde for nil financial consideration as they form part of his remuneration.

The exercise price of the Options will be calculated using the Company's closing price on the day of grant. If Resolution 3 is passed, the Options will be granted to Mr Yde on or about 9 November 2018.

Those Directors, who do not have an interest in the outcome of the relevant resolution, recommend that shareholders vote in favour of this resolution for the reasons set out below:

1. the Directors consider that it is important for the Company to be able to attract and retain experienced executive Directors and that the proposed grant of Options to Mr Yde is appropriate taking into account his level of experience and contribution to the Company;
2. the Directors consider that the proposed number of Options to be granted to Mr Yde is appropriate to:
  - i. motivate him to pursue long term growth and success of the Company (within an appropriate control framework);
  - ii. align the interests of key leadership with the long-term interests of the Company's shareholders; and
  - iii. ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy; and
3. the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) note that equity-based remuneration can be an effective form of remuneration for executives.

#### Details about the proposed grant of Options to Mr Yde

As described further below, the Board intends to grant Mr Yde up to 1,350,000 Options. The Options will vest on the vesting date to the extent that the Board determines that the vesting conditions are satisfied. The exercise price of the Options will be calculated using the Company's closing price on the day of grant.

The award to Mr Yde has been designed to drive executive performance and align shareholder interests over the long term.

#### Vesting Conditions

The Options are divided into two tranches as follows:

1. 1/3 of Mr Yde's Options will vest provided that Mr Yde remains employed by the Company two years after grant date, expected to be 9 November 2020; and
2. 2/3 of Mr Yde's Options will vest provided that Mr Yde remains employed by the Company three years after grant date, expected to be 9 November 2021.

Options will vest and be exercisable on the date that the employment condition is achieved. If the employment condition is not achieved, all of the Options in that tranche will lapse. The vesting of the Options is not subject to any performance hurdles. Whilst option grants without performance hurdles are uncommon in Australia, they are common practice in the US. As Mr Yde is the Company's Managing Director and is based in the US, it is appropriate that the vesting conditions are those employment conditions as set out above.

#### Additional terms of the Options:

1. Options do not carry any voting rights or right to dividend prior to vesting.
2. The Company's obligation to allocate Shares on vesting of the Options may be satisfied by issuing new shares, procuring the transfer to, or procuring the setting aside for the participant the number of shares in respect of which Options have vested. The Board can also exercise its discretion to make a cash payment (an amount equivalent to the value of the Options that have vested) to a participant in lieu of an allocation of Shares.
3. In the event there is any corporate action by, or capital reconstruction in relation to the Company (including but not limited to return of capital), adjustments may be made to the number of Options and/or the number of Shares each participant is entitled to upon vesting in accordance with the Listing Rules or in a manner which the Board considers appropriate.
4. In the event of cessation of employment, unvested Options will lapse.
5. Under the Plan Rules, any dealing in respect of an Option is prohibited, unless the Board determines otherwise or the dealing is required by law. Mr Yde will be free to deal with the Shares allocated on exercise of the Options (following payment of the exercise price), subject to the requirements of GTN's securities trading policy.

#### Allocation of Shares following Vesting

If the employment condition for each tranche is satisfied, the Options will vest. Upon vesting, Mr Yde will generally be required to pay the exercise price on each Option and then will be allocated the relevant number of Shares on a one-for-one basis, being one share for each Option that vests upon exercise of the vested Option and payment of the exercise price. Any Shares allocated to Mr Yde may be acquired on-market or issued by the Company. Options may be satisfied in either Shares or an equivalent value cash payment in lieu of an allocation of Shares (calculated in accordance with the Plan Rules) as determined appropriate by the Board. It is the Board's current intention that any Shares that may be awarded to Mr Yde will be issued by the Company.

#### Technical Information for the purpose of the ASX Listing Rules

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolution 3:

1. Mr William Yde is a Director of the Company.
2. Mr Yde will be granted up to 1,350,000 Options and the Options may convert to Shares on a one-for-one basis subject to the achievement of the vesting conditions. As described above, the vesting conditions are as follows:
  - Up to 450,000 options (being 1/3 of the proposed grant) will vest if Mr Yde remains employed by the Company two (2) years after grant date, expected to be 9 November 2020;
  - Up to 900,000 options (being 2/3 of the proposed grant) will vest if Mr Yde remains employed by the Company three (3) years after grant date, expected to be 9 November 2021.

This would mean that Mr Yde would be eligible to receive a maximum of up to 450,000 shares in respect the first tranche and a maximum of up to 900,000 shares in respect the second tranche (and a maximum total of up to 1,350,000 shares in respect of both tranches) provided that the employment conditions are met.
3. The Options will be granted for nil financial consideration.
4. The exercise price for each Option will be Company's closing price on the day of grant.
5. For the purposes of ASX Listing Rule 10.15.4, Mr Yde has not previously been granted any options.
6. Of the Company's Directors, only Mr Yde (the Executive Director) is eligible to participate in the Plan. Non-Executive Directors are not eligible to participate.
7. The Options will be granted under the terms and conditions of the Plan.
8. A Voting Exclusion Statement is set out under Resolution 3 in the Notice of Meeting.
9. There is no loan attaching to the offer under the Plan.

10. The Company is expected to grant the Options shortly after the Annual General Meeting but in any event, no later than 12 months after the meeting.
11. If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

*The Directors, with Mr William Yde III abstaining, unanimously recommend Shareholders vote in favour of this Resolution 3.*

#### **Resolution 4. Renewal of proportional takeover provisions in the Constitution**

Articles 6.8 to 6.12 of the Constitution provide that the Company can prohibit the registration of a transfer of shares resulting from a proportional takeover bid unless Shareholders approve the proportional takeover bid. Under the Corporations Act and article 6.13 of the Constitution, articles 6.8 to 6.12 cease to have effect on the day three years after the later of their adoption or last renewal. These proportional takeover provisions were adopted on 1 June 2016 and will therefore lapse on 1 June 2019. Resolution 4 seeks to renew articles 6.8 to 6.12 of the Constitution for three years from the day Resolution 4 is passed.

The Directors consider that the inclusion of the proportional takeover provisions in the Constitution is in the interests of Shareholders.

#### **What is a proportional takeover bid?**

In a proportional takeover bid, the bidder offers to buy a proportion only of each shareholder's shares in the target company.

#### **Why are the proportional takeover provisions required?**

The Directors consider that Shareholders should continue to have the opportunity to approve any proportional takeover bid for the Company.

A proportional takeover bid means that control of a company may pass without shareholders having the chance to sell all of their shares to the bidder. Shareholders, therefore, may be exposed to the risk of being left as a minority of the Company and the bidder taking control of the Company without paying an adequate premium for gaining control.

The Directors also consider that the proportional takeover provisions may avoid Shareholders feeling pressured to accept a proportional takeover bid even if they do not want it to succeed.

In order to deal with this possibility, the Corporations Act permits a company, in certain circumstances to provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must decide whether to accept or reject the proportional takeover bid.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional takeover bid is acceptable in principle and it may ensure that any proportional takeover bid is appropriately priced.

If the proportional takeover bid does proceed, individual Shareholders can then make a separate decision as to whether they wish to accept the offer for their shares.

#### **What is the effect of the proportional takeover provisions?**

If the proportional takeover provisions are renewed and a proportional takeover bid is made, the Directors will be required to seek the approval of Shareholders for that proportional takeover bid at least 14 days before the last day of the bid period. The vote is decided on a simple majority.

Each Shareholder who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class securities, is entitled to vote, but the bidder and its associates are not allowed to vote (and if they do vote, their votes must not be counted).

If the resolution is not passed, transfers which would have resulted from the acceptance of a proportional takeover bid will not be registered and the proportional takeover bid will be taken to have been withdrawn. Any contracts formed by acceptances will be rescinded. If the resolution is approved (or taken to have been approved), the transfers must be registered provided they comply with the Corporations Act and the Constitution.

The proportional takeover bid will be taken to have been approved if the resolution is not considered within the 14 day deadline specified in the Corporations Act. However, the Directors will breach the Corporations Act if they fail to ensure the resolution is considered.

The proportional takeover provisions do not apply to full takeover bids and will only apply for a period of three years commencing on the day Resolution 4 is passed unless again renewed by a special resolution passed by Shareholders.

### **Potential advantages and disadvantages**

While the renewal of articles 6.8 to 6.12 will allow the Directors to ascertain Shareholders' views on a proportional takeover bid, the Directors consider that the proportional takeover provisions have no potential advantages or disadvantages to the Directors who remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- that Shareholders (other than the bidder and its associates) have an opportunity to consider a proportional takeover bid which may assist in ensuring that the proportional takeover bid is attractive to a majority of Shareholders;
- the provisions may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of the Company passing without the payment of an appropriate control premium;
- the provisions may assist Shareholders avoid being locked in to a minority interest in the Company;
- the provisions may increase Shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is appropriately priced; and
- knowing the view of the majority of Shareholders may assist each individual Shareholder assess the likely outcome of the proportional takeover bid and whether to accept or reject that bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- may discourage proportional takeover bids and may reduce any speculative element in the market price of the Company's shares arising from a proportional takeover bid being made;
- Shareholders may lose an opportunity of selling some of their shares at a premium;
- may reduce the likelihood of a proportional takeover bid being successful; and
- the renewal of articles 6.8 to 6.12 may also be considered an additional restriction on the ability of Shareholders to deal freely with their shares.

The Directors consider that the potential advantages for Shareholders of the proportional takeover provisions outweigh the potential disadvantages of the proportional takeover provisions.

### **Review of advantages and disadvantages**

There have been no full or proportional takeover bids for the Company while the proportional takeover provisions have been in operation. Accordingly, there is no example against which the advantages or

disadvantages of the proportional takeover provisions may be assessed. However, the Directors believe that the potential advantages of the proportional takeover provisions operating for the next three years outweigh the possible disadvantages.

**No present acquisition proposals**

As at the date this Notice of Meeting was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

*The Directors unanimously recommend Shareholders vote in favour of this Resolution 4.*

## **SCHEDULE 1 TO NOTICE OF MEETING**

### **Extract from the GTN Limited (ACN 606 841 801) Constitution**

#### **6.8 Resolution required for proportional takeover provisions**

Despite articles 6.1, 6.2 and 6.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

- (a) articles 6.8 to 6.12 apply;
- (b) the registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an “approving resolution”) to approve the bid is passed or taken to be passed in accordance with article 6.11 or article 6.12; and
- (c) the Directors must ensure that an approving resolution is voted on in accordance with articles 6.9 to 6.10 before the fourteenth day before the last day of the bid period.

#### **6.9 Procedure for resolution**

The Directors may determine whether the approving resolution is voted on:

- (a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of article 6.10, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or
- (b) by means of a postal ballot conducted in accordance with the following procedure:
  - (i) a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;
  - (ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;
  - (iii) the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;
  - (iv) each ballot paper must specify the name of the person entitled to vote;
  - (v) a postal ballot is only valid if the ballot paper is duly completed and:
    - (A) if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or
    - (B) if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;
  - (vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of that power or authority certified as a true copy by statutory declaration is or are received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the Registered Office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and

- (vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.

**6.10 Persons entitled to vote**

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time.

Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

**6.11 Resolution passed or rejected**

If the resolution is voted on in accordance with articles 6.8 to 6.10, then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

**6.12 Resolution taken as passed**

If a resolution to approve the bid has not been voted on as at the end of the day before the fourteenth day before the last day of the offer period, then a resolution to approve the bid is taken to have been passed in accordance with articles 6.9 to 6.11.

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**GTN Limited**  
ACN 606 841 801

## LODGE YOUR VOTE

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

**BY MAIL**  
GTN Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George St, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a shareholder(s) of GTN Limited (GTN or **Company**) and entitled to attend and vote hereby appoint:

### 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 you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Thursday, 8 November 2018 at Sheraton on the Park, 161 Elizabeth St, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 2 & 3:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 & 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

**STEP 1**

### VOTING DIRECTIONS

**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 .**

#### Resolutions

	For	Against	Abstain*
1 Re-election of Director – Robert Loewenthal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Options under the GTN Long Term Incentive Plan – William Yde III	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Renewal of proportional takeover provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* 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 2**

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. 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. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**STEP 3**

**GTN PRX1801C**



## HOW TO COMPLETE THIS SHAREHOLDER 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 PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

### PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

### 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.

If you wish to appoint a Director (other than the Chairman) or other member of the KMP or their closely related parties as your proxy, you must specify how they should vote on Resolutions 2 and 3 by marking the appropriate box (either for/against/abstain). If you do not specify how your proxy should vote, your proxy will not be able to exercise your vote for resolutions 2 and 3.

### 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:

- 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
- 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](http://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 **10:00am (AEDT) on Tuesday, 6 November 2018**, 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.

Only Voting Forms issued by the Company will be deemed valid and accepted by the Company.

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, 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

GTN 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\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### 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 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online 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).

**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.**