



13 September 2019

The Manager
Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

**Corporations Act 2001 (Cth)
Section 633(1), Item 8**

NOTICE OF DISPATCH OF BIDDER'S STATEMENT TO MRN SHAREHOLDERS

Fairfax Media Limited (**Nine Bidder**) gives notice in accordance with item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (the **Act**) that the bidder's statement dated 30 August 2019 and offer in relation to its takeover bid for all of the ordinary shares in Macquarie Media Limited (**MRN**) have been sent to each person who held securities in the bid class as at 7.00pm (AEST) on 2 September 2019 (being the date set by Nine Bidder pursuant to section 633(2) of the Act), as required by item 6 of section 633(1) of the Act.

The offers are dated 13 September 2019 and have been made on the terms set out in the bidder's statement dated 30 August 2019.

Enclosed with this notice is a copy of the bidder's statement dated 30 August 2019 which has been sent to MRN bid class security holders.

Yours sincerely

A handwritten signature in black ink, appearing to read "Rachel Launders", with a long horizontal flourish extending to the right.

Rachel Launders
Company Secretary
Fairfax Media Limited



Bidder's Statement

ACCEPT

RECOMMENDED CASH OFFER

by Fairfax Media Limited ABN 15 008 663 161, a wholly-owned subsidiary of Nine Entertainment Co. Holdings Limited ABN 60 122 203 892, to purchase all of your shares in

MACQUARIE MEDIA LIMITED

ABN 32 063 906 927

For each MRN Share you will receive

\$1.46 Cash

This is an important document and requires your immediate attention. You should read this document in its entirety. If you are in doubt as to how to deal with this document you should consult your financial or other professional adviser.

ashurst

Legal Adviser

Jefferies

Financial Adviser

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IMPORTANT INFORMATION

(a) Bidder's Statement

This Bidder's Statement is dated 30 August 2019 and is given by Fairfax Media Limited ABN 15 008 663 161 to Macquarie Media Limited ABN 32 063 906 927 under Part 6.5 of the Corporations Act. This Bidder's Statement includes an Offer dated 13 September 2019 to acquire all of your MRN Shares and also sets out certain disclosures required by the Corporations Act.

Fairfax Media Limited ABN 15 008 663 161 is an indirect wholly-owned subsidiary of Nine Entertainment Co. Holdings Limited ABN 60 122 203 892. Unless otherwise specified, in this document Fairfax Media Limited ABN 15 008 663 161 is referred to as Nine Bidder and Nine Entertainment Co. Holdings Limited ABN 60 122 203 892 is referred to as Nine.

(b) Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 30 August 2019. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

(c) Investment decisions

This Bidder's Statement does not take into account the investment objectives, financial situation or particular needs of any person. Before making any investment decision you should consider whether it is appropriate in the light of those factors. Accordingly, you may wish to seek independent financial and taxation advice before deciding whether to accept the Offer.

(d) Offers outside Australia

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

(e) Important notice to US shareholders

This Bidder's Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities described herein have not been, and will not be, registered under the *U.S. Securities Act of 1933*, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold, directly or indirectly, to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This Bidder's Statement may not be forwarded, distributed or reproduced in whole or in part in any jurisdiction where it would be unlawful, including the United States.

The Offer is being made for shares of an Australian company and is subject to the laws of Australia. It is important for U.S. shareholders to be aware that the transaction is subject to takeover and disclosure laws and regulations in Australia that are different from those in the United States. Certain U.S. federal securities laws applicable to tender offers will not apply to the transaction and you may not have the same rights or protections applicable to equivalent transactions conducted in the United States. It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since Nine Bidder and Nine are located in Australia, and some or all of their officers and directors may be residents of Australia.

You should be aware that, subject to the Corporations Act, Nine Bidder may purchase MRN Shares otherwise than under the Offer, such as in open market or privately negotiated purchases.

IMPORTANT INFORMATION

(f) Forward looking statements

This Bidder's Statement contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. These risks and uncertainties include factors and risks specific to the industries in which Nine, Nine Bidder and MRN operate as well as matters such as general economic conditions, many of which are outside the control of Nine, Nine Bidder and their respective directors. While Nine Bidder believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. Matters as yet not known to Nine Bidder or not currently considered material by Nine Bidder, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. The past performance of Nine is not a guarantee of future performance.

Forward looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented as a guide to assist you in assessing the Offer. Any forward looking statement contained in this document is qualified by this cautionary statement.

(g) Information on MRN

All information in this Bidder's Statement relating to MRN has been prepared by Nine Bidder using information included in public information about MRN and from a limited due diligence investigation conducted by Nine Bidder which involved reviewing certain non-public information about MRN provided to Nine Bidder by MRN.

Subject to the Corporations Act and other applicable law, neither MRN nor its Directors, nor Nine, Nine Bidder or their respective directors makes any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on MRN in this Bidder's Statement should not be considered comprehensive.

In addition, the Corporations Act requires the Directors of MRN to provide a Target's Statement to MRN Shareholders in response to this Bidder's Statement, setting out certain material information concerning MRN.

(h) Privacy collection statement

Nine Bidder has collected your information from the register of MRN Shareholders. Nine Bidder, its Related Bodies Corporate, advisers and agents will use this information solely for purposes relating to the Offer and, if accepted, administering your holding of MRN Shares. Nine Bidder will share this information on a confidential basis with its Related Bodies Corporate, advisers, agents and regulators (such as ASIC and the Australian Taxation Office) where necessary for the purposes of the Offer. The registered office of Nine Bidder is 1 Darling Island Road, Pyrmont, New South Wales, 2009.

(i) Defined terms and interpretation

A number of defined terms are used in this Bidder's Statement. These terms are defined in section 8. Section 8 also sets out certain rules of interpretation which apply to this Bidder's Statement.

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HOW DO I ACCEPT THE OFFER?

You may only accept the Offer for all of your MRN Shares. Acceptances must be received before 7:00 pm (Sydney time) on 14 October 2019 (unless extended).

For Issuer Sponsored Holdings of MRN Shares (Securityholder Reference Number beginning with "I")

To accept the Offer, complete the enclosed Issuer Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Issuer Acceptance Form so that it is received before 7:00 pm (Sydney time) on 14 October 2019 (unless extended).

For CHES Holdings of MRN Shares (Holder Identification Number beginning with "X")

To accept the Offer, either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the enclosed CHES Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the CHES Acceptance Form.

Participants

If you are a Participant (as defined in the ASX Settlement Operating Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules.

Offer Information Line

For information regarding your MRN Shares, the Offer or how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact Nine Bidder Offer information line on:

For Australian callers: 1800 992 145 (toll free within Australia)

For international callers: +61 1800 992 145

KEY DATES

EVENT	INDICATIVE TIME AND DATE
Bidder's Statement lodged with ASIC and ASX	30 August 2019
Offer opens (date of Offer)	13 September 2019
Date of Offer conditions notice*	4 October 2019
Offer closes (unless extended)*	7:00pm (Sydney time) on 14 October 2019

* This date is indicative only and may be changed as permitted by the Corporations Act.

CHAIRMAN'S LETTER

30 August 2019

Dear MRN Shareholder

Offer to acquire all of your MRN Shares

On behalf of the Nine and Nine Bidder boards, it is my pleasure to provide you with this Offer to acquire all of your shares in Macquarie Media Limited (**MRN**). Nine, through its indirectly wholly-owned subsidiary Fairfax Media Limited (**Nine Bidder**), is offering \$1.46 cash for each of your MRN Shares. Nine Bidder already holds a controlling interest in MRN of 54.44% of the issued MRN Shares.

This Offer provides you with a straightforward exit for your MRN Shares and delivers you certainty of cash consideration. Your MRN Shares are currently illiquid and you may have limited alternative opportunities to exit your investment at or near the Offer price in the future. Further, Nine considers it highly unlikely that a competing proposal will emerge, given that Nine Bidder holds 54.44% of the issued MRN Shares as at the date of this Bidder's Statement.

The Independent Directors have unanimously recommended that MRN Shareholders accept the Offer in the absence of a superior proposal and subject to the Independent Expert opining (and continuing to opine) that the Offer is reasonable. MRN has commissioned PricewaterhouseCoopers Securities Ltd to prepare an Independent Expert's Report in relation to the Offer.

I encourage you to read this Bidder's Statement carefully and then accept the Offer as soon as possible. To accept the Offer you should follow the instructions on the enclosed Acceptance Form.

This Offer is currently scheduled to close at 7:00 pm (Sydney time) on 14 October 2019 unless extended.

On behalf of the Nine and Nine Bidder boards, thank you for considering the Offer and we look forward to receiving your acceptance.

Yours sincerely



Peter Costello, AC
Chairman

Nine Entertainment Co. Holdings Limited

SUMMARY OF THE OFFER

This summary provides an overview of the Offer and is qualified by the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

THE BIDDER	<p>Nine Bidder is the company making the Offer. Nine Bidder is an indirectly wholly-owned subsidiary of Nine following its acquisition by Nine on 7 December 2018. Nine is now the largest locally owned multi-platform media company in Australia, comprising assets across television, print and digital media. The market capitalisation of Nine as at the close of trading on the last trading day before the date of this Bidder's Statement is approximately \$3,326 million.</p> <p>Section 1 of this Bidder's Statement contains further information about Nine Bidder and Nine.</p>
THE OFFER	<p>Nine Bidder offers to acquire all of your MRN Shares by way of an off-market takeover bid.</p> <p>The Offer relates to all MRN Shares on issue on the Register Date.</p>
OFFER PRICE	<p>You are offered \$1.46 for each of your MRN Shares.</p>
OFFER PERIOD	<p>Unless withdrawn or extended the Offer is open until 7:00 pm Sydney time on 14 October 2019.</p> <p>To accept the Offer your acceptance must be received before the Offer Period ends.</p>
PAYMENT DATE	<p>If you accept this Offer Nine Bidder will pay you for your MRN Shares on or before the earlier of:</p> <ul style="list-style-type: none">(a) the day one month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional; and(b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional. <p>Full details on when you will be paid are set out in section 7.18(a) of this Bidder's Statement.</p>
CONDITIONS	<p>The Offer is subject to the conditions set out in section 7.12 of this Bidder's Statement. These conditions are summarised below:</p> <ul style="list-style-type: none">• At the end of the Offer Period, Nine Bidder has a relevant interest in more than 90% (by number) of the MRN Shares on issue at that time.• No prescribed occurrences happen during the period from announcement of the Offer until the end of the Offer Period.• No action by a Public Authority adversely affects the Offer.• Non-existence of certain rights under an agreement or instrument.• MRN complies with specified restrictions on the conduct of the MRN business during the Condition Period.• No material adverse change occurs during the Condition Period.• On or before the end of the Offer Period each of MRN, John Desmond Singleton and John Singleton Promotions Pty Ltd ACN 001 608 546 validly enters into and delivers a legally binding deed in the form set out in Annexure A of this Bidder's Statement.
NO STAMP DUTY	<p>You will not pay any stamp duty on accepting the Offer.</p>
FURTHER INFORMATION	<p>For questions about your MRN Shares, the Offer or how to accept the Offer please refer to the remainder of the Bidder's Statement. If you still need assistance, please call the Nine Bidder Offer information line on:</p> <p>For Australian callers: 1800 992 145 (toll free within Australia)</p> <p>For international callers: +61 1800 992 145</p>

REASONS WHY YOU SHOULD ACCEPT NINE BIDDER'S OFFER

1

NINE IS ALREADY THE MAJOR SHAREHOLDER OF MRN

Nine Bidder already holds a controlling interest in MRN of 54.44% of the issued MRN Shares.

2

THE OFFER IS UNANIMOUSLY RECOMMENDED BY MRN'S INDEPENDENT DIRECTORS

The Independent Directors of MRN unanimously recommend that you accept the Offer in the absence of a superior proposal and subject to the Independent Expert appointed by MRN opining (and continuing to opine) that the Offer is reasonable.

3

100% CASH CONSIDERATION: CERTAIN AND IMMEDIATE VALUE

Nine Bidder is offering to acquire all of your MRN Shares for cash.

Further, if your MRN Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Nine Bidder, you will not incur any brokerage connected with accepting the Offer. If your MRN Shares are in a CHESS Holding or you hold your MRN Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges connected with you accepting the Offer.

No MRN Shareholder will be liable to pay stamp duty on the sale of MRN Shares.

The Independent Directors have concluded that the Offer reflects attractive value on a fundamental basis and is in the best interests of MRN Shareholders. The Offer provides MRN independent shareholders with certainty of value and the opportunity to realise their investment for cash, in full.

Nine Bidder's all-cash Offer will be funded from a combination of the Nine Group's current cash resources and available syndicated debt and bridging facilities.

4

YOU WILL REMOVE YOUR EXPOSURE TO THE RISKS ASSOCIATED WITH A CONTINUED INVESTMENT IN MRN

Nine Bidder believes the Offer represents compelling value for your MRN Shares.

As an MRN Shareholder, you may be exposed to a number of inherent risks that may affect the market price of the MRN Shares, including, the uncertain future market price of MRN Shares if the Offer is not successful and no alternative proposal emerges.

There is a risk that the MRN share price may fall if the Offer is not successful and no alternative proposal emerges.

KEY QUESTIONS

This section answers some key questions that you may have about the Offer and should be read in conjunction with the entire Bidder's Statement. You are strongly encouraged to read the entire Bidder's Statement before deciding how to deal with your MRN Shares.

1

What is the Bidder's Statement?

This Bidder's Statement was prepared by Nine Bidder for distribution to MRN Shareholders. It sets out the terms of Nine Bidder's Offer for your MRN Shares and information relevant to your decision whether or not to accept the Offer.

This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.

2

What is the Offer?

Nine Bidder is offering to buy your MRN Shares by way of an off-market takeover offer.

The Offer price is \$1.46 cash for each of your MRN Shares.

3

What interest does Nine Bidder currently have in MRN?

At the date of this Bidder's Statement, Nine Bidder holds 54.44% of the issued MRN Shares.

One of the MRN Directors, James Millar, is a former non-executive director of Nine Bidder.

4

Do the Independent Directors support the Offer?

Yes, the Independent Directors have unanimously recommended that MRN Shareholders accept the Offer, in the absence of a superior proposal and subject to the Independent Expert opining (and continuing to opine) that the Offer is reasonable.

5

Why aren't all of the Directors providing a recommendation?

Only one Director of MRN is not providing a recommendation.

James Millar, a Director of MRN, is a former non-executive director of Nine Bidder and does not consider it is appropriate to give a recommendation to the MRN Shareholders in connection with the Offer.

6

What are the tax consequences if I accept the Offer?

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of the likely Australian tax consequences is set out in section 5 of this Bidder's Statement.

7

How do I accept the Offer?

To accept the Offer you must follow the instructions set out in section 7.4 of this Bidder's Statement.

8

Can I accept the Offer for part of my holding?

No, you can only accept for all of your holding. Your acceptance will be treated as being for all your MRN Shares plus any additional MRN Shares registered as held by you at the date your acceptance is processed.

9**What happens if I accept the Offer?**

Once you accept the Offer (even while it remains subject to Defeating Conditions) you will not be able to sell your MRN Shares or otherwise deal with the Rights attaching to your MRN Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

10**What happens if I do not accept the Offer?**

Subject to what is stated below, you will remain the holder of your MRN Shares if you do not accept the Offer.

If Nine Bidder becomes entitled to do so, Nine Bidder intends to proceed to compulsorily acquire your MRN Shares (see section 3.2 of this Bidder's Statement for more information). You will receive consideration for your MRN Shares sooner if you accept the Offer.

11**When does the Offer close?**

The Offer is currently scheduled to close at 7:00pm (Sydney time) on 14 October 2019, unless extended or withdrawn.

12**Can Nine Bidder extend the Offer Period?**

Yes, the Offer can be extended by Nine Bidder or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

13**What should I do?**

To accept the Offer, you should:

- (a) read this Bidder's Statement in full;
- (b) read MRN's Target's Statement in full (when issued);
- (c) consult your Broker, legal, financial, tax or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and
- (d) accept the Offer in the manner described in the Acceptance Form.

14**What choices do I have as an MRN Shareholder?**

As an MRN Shareholder, you have the following choices in respect of your MRN Shares:

- (a) accept the Offer;
- (b) sell your MRN Shares on the ASX (unless you have previously accepted the Offer for your MRN shares); or
- (c) do nothing.

15**If I accept the Offer, when will I be paid?**

If you accept this Offer Nine Bidder will pay you for your MRN Shares, to which Nine Bidder acquires good title, on or before the earlier of:

- (a) the day one month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will be paid are set out in section 7.18(a) of this Bidder's Statement.

KEY QUESTIONS

16

Will I need to pay brokerage or stamp duty if I accept the Offer?

You will not pay any stamp duty on accepting the Offer.

If your MRN Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Nine Bidder, you will not incur any brokerage connected with you accepting the Offer.

If your MRN Shares are in a CHESS Holding or you hold your MRN Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges connected with you accepting the Offer.

17

What are the conditions to the Offer?

The conditions of the Offer are set out in section 7.12 of this Bidder's Statement. These conditions are summarised below:

- At the end of the Offer Period, Nine Bidder has a relevant interest in more than 90% (by number) of the MRN Shares on issue at that time.
- No prescribed occurrences happen during the period from announcement of the Offer until the end of the Offer Period.
- No action by a Public Authority adversely affects the Offer.
- Non-existence of certain rights under an agreement or instrument.
- MRN complies with specified restrictions on the conduct of the MRN business during the Condition Period.
- No material adverse change occurs during the Condition Period.
- On or before the end of the Offer Period each of MRN, John Desmond Singleton and John Singleton Promotions Pty Ltd ACN 001 608 546 validly enters into and delivers a legally binding deed in the form set out in Annexure A of this Bidder's Statement.

18

What happens if the conditions of the Offer are not satisfied or waived?

If the conditions of the Offer are not satisfied or waived before the Offer closes the Offer will lapse. Nine Bidder will make an announcement to ASX if the conditions of the Offer are satisfied or waived during the Offer Period.

1. INFORMATION ON NINE AND NINE BIDDER

1.1 Overview of Nine

Nine is Australia's largest locally owned multi-platform media company with businesses and investments spanning television, print, digital and radio. Its assets include the Nine Network, major mastheads such as *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*, digital properties such as nine.com.au, 9Now, Pedestrian.TV, subscription video platform Stan, and majority investments in Domain, CarAdvice and Macquarie Media.

On 22 August 2019, Nine released its financial results for the full year to 30 June 2019. During FY19, on a pro forma and continuing business basis, Nine generated \$2,341.9 million¹ in revenue and \$423.8 million in EBITDA, with \$120.7 million in net debt². On the same day, Nine declared a dividend of 5 cents per share which is to be paid on 17 October 2019.

Nine has a market capitalisation of \$3,326 million as at the close of trading on the last trading day before the date of this Bidder's Statement.

1.2 Principal activities of Nine

(a) Broadcasting

Nine's Broadcasting Division includes leading broadcast brands across television and radio.

TELEVISION

Nine owns the Nine Network of television stations in Sydney, Melbourne, Brisbane, Perth and Adelaide as well as in regional Northern NSW and Darwin which broadcast the channels 9, 9HD, 9Go!, 9Gem and 9Life.

In areas where Nine does not own a broadcast licence, Nine's content is broadcast via affiliate agreements. Nine's primary affiliate is Southern Cross Media Group Limited which broadcasts Nine's TV content in regional Queensland, Southern NSW and regional Victoria.

Nine's television content focuses on large scale, locally produced content across key verticals of news, sport, entertainment and lifestyle which include:

- (i) reality programming, such as *The Block* and *Australian Ninja Warrior*;
- (ii) news and current affairs, such as *9News* and *60 Minutes*;
- (iii) sport, such as NRL and the Australian Open tennis; and
- (iv) drama, entertainment and lifestyle content, such as *Seachange*.

RADIO

Nine Bidder owns a 54.44% interest in MRN. MRN is a news, talk and sport radio network that operates seven radio stations in the capital cities of Sydney, Melbourne, Brisbane and Perth. For further details, refer to section 2.1 of this Bidder's Statement.

(b) Digital and Publishing

Nine's Digital and Publishing division includes Metro Media (the banner used to describe Nine's metropolitan newspaper mastheads), a range of digital publishing titles and 9Now, Nine's broadcast video on demand platform.

METRO MEDIA

Nine owns the iconic newspaper mastheads *The Sydney Morning Herald*, *The Age*, *The Australian Financial Review*, and *The Sun-Herald* which are available on print and digital. Other mastheads include www.WAtoday.com.au and www.brisbanetimes.com.au, which are digital only.

Other Metro Media lifestyle brands and publications include Good Food, Good Weekend, Life & Leisure and Traveller.

Metro Media reaches a monthly cross-platform audience of 10.5 million consumers (July 2019).

9NOW

9Now is Nine's broadcast video on demand (BVOD) platform. 9Now allows registered users to live stream all of Nine Network's channels, catch up on episodes of Nine's content and watch other content which is exclusively available on 9Now.

With a unique audience of 2.9 million (July 2019), 9Now is Australia's No. 1 commercial BVOD site according to audience.

1. Pre Specific Items and excluding additional amortisation arising from purchase price accounting.

2. On a wholly owned basis.

1. INFORMATION ON NINE AND NINE BIDDER

9 DIGITAL PUBLISHING

Nine also operates a range of digital-only publishing assets, which are built around the same content verticals as Nine's television business – news, sport, entertainment and lifestyle – to extend Nine's engagement with audiences and advertisers beyond broadcast television. Under the umbrella of nine.com.au, Nine operates various sites such as 9Honey, wwos.com.au and 9news.com.au. Nine also owns Pedestrian TV, a publishing business aimed at the youth demographic and a majority stake in CarAdvice, a publisher of automotive editorial content.

(c) Stan

Nine's subscription video on demand (SVOD) platform is Stan, a streaming service which offers a broad range of local and international television shows, movies and documentaries to subscribers for a fixed monthly subscription fee, with no minimum term commitment. Stan has content from major international studios and has output agreements with Showtime, Sony, MGM, Starz and Paramount Pictures. Stan also commissions local content, known as Stan Originals.

Stan currently has an active subscriber base of more than 1.7 million (as at end of August 2019).

(d) Domain

As at the date of this Bidder's Statement, Nine Bidder has a 59.2% shareholding in Domain, an ASX-listed real estate media and technology services business focused on the Australian property market. The business focuses on residential and commercial property marketing solutions, services and search tools in addition to information for buyers, investors, sellers, renters and agents via its listings portals. Domain also creates property market content to engage consumers and support audience growth.

Domain has expanded its offerings via a series of investments to include home loan broking services and insurance services for home, contents and landlords. Distinct brands include Allhomes, Commercialrealestate.com.au, APM, PriceFinder, MyDesktop, Domain Loan Finder and Domain Insure.

Domain reaches a monthly audience of 6.9 million consumers across print and digital platforms (March 2019). The Domain apps have had more than 7.2 million downloads as at the end of FY19.

(e) Stuff New Zealand

Stuff (formerly Fairfax Media New Zealand) is an integrated multi-media business with brands across multiple platforms including newspapers, magazines, digital and events. Stuff reaches a cross-platform audience of 2.1 million people every month across desktop and mobile (July 2019).

Stuff's primary online offering stuff.co.nz is New Zealand's #1 homegrown brand by unique audience. The publishing business includes *The Dominion Post*, *The Press* and *The Sunday Star-Times* in a portfolio of regional and community newspapers, magazines and agricultural publications.

This business is currently held for sale by Nine.

1.3 Directors of Nine Bidder

As at the date of this Bidder's Statement, the directors of Nine are:

- (a) Peter Costello, AC, Independent Non-Executive Chairman
- (b) Nick Falloon, Independent Non-Executive Deputy Chairman
- (c) Hugh Marks, Director and Chief Executive Officer
- (d) Patrick Allaway, Independent Non-Executive Director
- (e) Samantha Lewis, Independent Non-Executive Director
- (f) Mickie Rosen, Independent Non-Executive Director
- (g) Catherine West, Independent Non-Executive Director

As at the date of this Bidder's Statement, the directors of Nine Bidder are:

- (a) Hugh Marks
- (b) Rachel Lauanders
- (c) Christopher Janz

1.4 Publicly available information

Nine is a company listed on the ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Nine's financial statements for the year ended 30 June 2019 were given to the ASX on 22 August 2019.

Information (including copies of financial statements) may also be obtained from Nine's website at <http://www.nineentertainmentco.com.au/investor-centre>.

2. INFORMATION ON MRN AND MRN SHARES

2.1 Overview of MRN

MRN is an Australian “news talk” and “sport talk” radio network that operates seven metropolitan commercial radio stations in the capital cities of Sydney, Melbourne, Brisbane and Perth.

The Macquarie Media News-Talk stations are home to some of Australia’s most successful broadcasters and has a network audience of 2 million people nationally per week.

These stations include the #1 rated commercial radio stations in Sydney (2GB) and Melbourne (3AW), as well as other capital city news-talk radio stations in Brisbane (4BC) and Perth (6PR). According to MRN:

- 2GB Sydney News-Talk is the most listened to station in Sydney and has been the number 1 radio station for over a decade, with 22.1% commercial share;
- 3AW Melbourne News-Talk is the most listened to station in Melbourne, with 23.0% commercial share;
- 4BC is Brisbane’s only commercial talk station with 12.6% commercial share; and
- 6PR is Perth’s only commercial talk station, with 13.7% commercial share.

Macquarie Media’s sports offering is delivered via Australia’s first national commercial sports radio network, the Macquarie Sports Radio network, which operates dedicated sports channels in Sydney (954AM), Melbourne (1278AM) and Brisbane (882AM).

MRN also includes digital and online media platforms and Macquarie Media Syndication, which is responsible for the syndication and delivery of programming content.

MRN principally generates revenue from the sale of advertising across its network of radio stations and royalties and commissions.

On 7 August 2019, MRN released its financial results for the full year to 30 June 2019. During FY19, MRN generated \$131.8 million in revenue and \$271 million in underlying EBITDA, with \$22.0 million in net debt. On the same day, MRN declared a dividend of 2 cents per MRN Share which was paid on 26 August 2019.

2.2 Publicly available information

MRN is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

A copy of MRN’s annual report for the financial year ended 30 June 2019 was lodged with ASX on 7 August 2019.

A copy of each of these announcements can be obtained from ASX. In addition copies of other major announcements by MRN can be obtained from MRN’s website <https://www.macquariemedia.com.au/information>.

2.3 Capital Structure of MRN

According to documents lodged by MRN with ASX as at the date of this Bidder’s Statement, the total number of securities issued by MRN is as follows:

171,204,556 MRN Shares.

2. INFORMATION ON MRN AND MRN SHARES

2.4 Nine Bidder relevant interest in MRN securities

The number of securities that Nine Bidder had a relevant interest in (as at the dates specified) is shown below:

	AT DATE OF THIS BIDDER'S STATEMENT	AT DATE FIRST OFFER IS SENT
MRN Shares	93,196,512	93,196,512

As a result of the operation of section 608(3)(b) of the Corporations Act, Nine is deemed to have the same interest in MRN as Nine Bidder, given that Nine controls Nine Bidder. Accordingly, Nine is deemed to have a relevant interest in 93,196,512 MRN Shares as at the date of this Bidder's Statement.

2.5 Nine Bidder's voting power in MRN

Nine Bidder's voting power in MRN (as at the dates specified) is shown below:

	AT DATE OF THIS BIDDER'S STATEMENT	AT DATE FIRST OFFER IS SENT
Voting power in MRN	54.44%	54.44%

As a result of the operation of section 608(3)(b) of the Corporations Act, Nine is deemed to have the same interest in MRN as Nine Bidder, given that Nine controls Nine Bidder. Accordingly, Nine is deemed to have voting power in respect of 54.44% of the issued MRN Shares as at the date of this Bidder's Statement.

2.6 Consideration offered for MRN Shares during previous four months

None of Nine, Nine Bidder or an associate of either of Nine or Nine Bidder have provided or agreed to provide consideration for an MRN Share under a purchase or agreement during the four months prior to the date of this Offer.

2.7 Inducing benefits given by Nine Bidder during previous four months

Except as set out in this Bidder's Statement, during the period beginning four months before the date on which this Bidder's Statement was lodged with ASIC and ending the day before that date of lodgement, neither Nine Bidder nor any associate of Nine Bidder, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an associate of the other person, to:

- (a) accept an Offer; or
- (b) dispose of MRN Shares.

3. NINE BIDDER'S INTENTIONS

3.1 Overview

In formulating the Offer, Nine Bidder has considered and evaluated MRN's assets, based on the information which was in the public domain and available to it and from a limited due diligence investigation conducted by Nine Bidder which involved reviewing certain non-public information about MRN provided to Nine Bidder by MRN.

Set out in this section 3 are Nine Bidder's intentions for MRN. These intentions are based on the information concerning MRN which is known to Nine Bidder and the existing circumstances affecting the business of MRN, at the date of this Bidder's Statement.

The statements set out in this section 3 are statements of current intention only and may vary as new information becomes available or circumstances change. Following the close of the Offer, Nine will conduct a full review of MRN's businesses, assets and employees. Final decisions will only be reached following that review and in light of all material facts and circumstances. The statements in this section 3 should be read in this context.

3.2 Intentions upon acquiring 90% or more of MRN Shares

The intentions of Nine Bidder if it acquires 90% or more of the MRN Shares are set out in this section 3.2.

(a) Corporate matters

(i) Compulsory Acquisition of MRN Shares

- (A) **Follow-on compulsory acquisition** - If Nine Bidder achieves a relevant interest in at least 90% of the MRN Shares and acquires at least 75% (by number) of the MRN Shares that it is offering to acquire under the Offer, Nine Bidder currently intends to give notices to MRN Shareholders to compulsorily acquire any outstanding MRN Shares in accordance with section 661B of the Corporations Act.
- (B) **General compulsory acquisition** - If Nine Bidder acquires at least 90% of the MRN Shares but it acquires less than 75% (by number) of the MRN Shares that it is offering to acquire under the Offer, Nine Bidder currently intends to give notices to MRN Shareholders to compulsorily acquire any outstanding MRN Shares in accordance with section 664C of the Corporations Act.
- (C) **Compulsory buy out** - If it is required to do so under section 662A of the Corporations Act, Nine Bidder intends to give notices to MRN Shareholders offering to acquire their MRN Shares in accordance with section 662B of the Corporations Act.

(ii) ASX listing

Following a compulsory acquisition of the remaining MRN Shares, Nine Bidder then intends to procure that MRN is removed from the official list of ASX.

(iii) Directors

It is intended that the board of Directors of MRN will be replaced in its entirety. Nine Bidder will appoint 3 new Directors, such individuals to be determined by Nine Bidder in the course of the Offer Period.

(b) Business and assets

It is intended that MRN's existing business units will be integrated into Nine's corporate structure.

Following the Offer Period, Nine will conduct a review to align the MRN business with Nine's strategic objectives for the Nine Group as a whole. Subject to that review, it is intended that the Nine Group will continue to operate the MRN business.

(c) Employees

Following the Offer Period, Nine will conduct an analysis of its ongoing resourcing requirements for MRN as part of the Nine Group's broader consolidation analysis.

3. NINE BIDDER'S INTENTIONS

3.3 Intentions upon acquiring less than 90% of MRN Shares

Nine Bidder reserves the right to waive the 90% minimum acceptance condition (as set out in section 7.12(a) of this Bidder's Statement) and proceed with the Offer. If, following the close of the Offer, MRN is still a controlled entity, but not a wholly owned subsidiary of Nine Bidder, Nine Bidder's current intentions are set out in this section 3.3.

(a) Corporate Matters

(i) ASX listing

If there is a limited number or spread of MRN Shareholders remaining at the end of the Offer Period, Nine Bidder may seek to procure the removal of MRN from the official list of the ASX.

(ii) Dividend policy

Nine Bidder will continue to monitor and influence the dividend policy of MRN having regard to any capital funding and on-going operational requirements of MRN along with the appropriateness of paying dividends to MRN Shareholders.

(iii) Directors

Nine Bidder's current intention is to maintain the existing MRN directors unless MRN ceases to be an ASX listed company, in which case Nine Bidder will review the number and composition of the board of MRN.

(b) Business and assets

To the extent practicable and depending on the ultimate percentage shareholding held by Nine Bidder at the end of the Offer, Nine Bidder intends to influence the operations of the business to take advantage of any synergies possible, flowing from an increased integration with the operations of the Nine Group.

(c) Employees

Following the Offer Period, Nine will conduct an analysis of its ongoing resourcing requirements for MRN as part of the Nine Group's broader consolidation analysis.

(d) Limitations on intentions

The extent to which Nine Bidder will be able to implement these intentions will be subject to:

- (i) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- (ii) the legal obligation of the directors of MRN to act for proper purposes and in the best interests of MRN Shareholders as a whole; and
- (iii) the terms of MRN's existing contractual arrangements.

Any transactions between members of the Nine Group and MRN required to implement the steps outlined above, will be entered into on arm's length terms. The approval of other MRN Shareholders for such transactions will be sought as required by law.

(e) Other intentions

Subject to the above, it is the present intention of Nine Bidder, on the basis of the information concerning MRN which is known to it and the existing circumstances affecting the business of MRN, that:

- (i) the business of MRN will otherwise be continued in substantially the same manner as it is presently being conducted;
- (ii) no other major changes will be made to the business of MRN;
- (iii) there will not be any other redeployment of the fixed assets of MRN; and
- (iv) the present employees of MRN will otherwise continue to be employed by MRN.

4. SOURCES OF CASH CONSIDERATION

4.1 Maximum cash consideration

Based on the number of MRN Shares on issue as at the date of this Bidder's Statement, and as Nine Bidder is the registered holder of 93,196,512 MRN Shares as at the date of this Bidder's Statement, the maximum amount of cash that would be payable by Nine Bidder under the Offer if acceptances were received for all MRN Shares that Nine Bidder does not already own is approximately \$113,891,744.24 (**Maximum Cash Consideration**).

4.2 Source of funds

The Maximum Cash Consideration will be funded by the existing cash reserves and corporate debt and bridging facilities of the Nine Group.

In February 2018, Nine completed the refinancing of its corporate debt facilities. Those facilities comprise revolving cash advance facilities of \$400 million and a \$50 million working capital facility (**Existing Corporate Facilities**). The Existing Corporate Facilities are provided by a syndicate comprising Australia and New Zealand Banking Group (**ANZ**), Commonwealth Bank of Australia (**CBA**), National Australia Bank, UBS, AG, Australia Branch and Sumitomo Mitsui Banking Corporation, Sydney Branch. There are no preconditions to draw down under the Existing Corporate Facilities which have not already been satisfied (other than customary certifications applicable to all drawdowns for facilities of this nature).

In October 2018, Nine entered into a syndicated bridging facility comprising a revolving cash advance and working capital facility of \$200 million (**Bridging Facility**). The facilities made available under the Bridging Facility are provided by ANZ and CBA, with the terms being materially consistent with the Existing Corporate Facilities. Part of the proceeds under the Bridging Facility have been used to pay down the debt facilities of Nine Bidder and its subsidiaries, meet other costs of implementing the scheme of arrangement completed in December 2018 for Nine to acquire Nine Bidder and for other permitted purposes. There are no preconditions to further draw down under the Bridging Facility which have not already been satisfied (other than customary certifications applicable to all drawdowns for facilities of this nature).

Nine has sufficient uncommitted funds available under the Existing Corporate Facilities and Bridging Facility to satisfy the maximum cash Consideration under the Offer. Nine Bidder has obtained a commitment from Nine that Nine will procure that sufficient funding is made available to Nine Bidder to fund the Maximum Cash Consideration.

4.3 Payment of Cash Consideration

Having regard to the matters set out above, Nine Bidder considers it has a reasonable basis for holding the view that it will be able to pay the Maximum Cash Consideration required for the acquisition of MRN Shares pursuant to the Offer.

The Offer is not subject to any financing conditions.

5. TAXATION CONSIDERATIONS

5.1 Australian tax implications for MRN Shareholders

The following is a general description of the Australian capital gains tax (CGT) and GST consequences for MRN Shareholders on disposing of their MRN Shares, in return for cash under the Offer.

This summary only applies to certain MRN Shareholders that hold their MRN Shares on capital account for Australian income tax purposes. In particular, it does not apply to MRN Shareholders in the following circumstances:

- (a) MRN Shareholders who do not hold their MRN Shares solely on capital account for Australian income tax purposes (e.g. MRN Shareholders that buy and sell shares in the ordinary course of business or who otherwise hold their MRN Shares on revenue account or as trading stock);
- (b) MRN Shareholders who acquired their MRN Shares under an employee share or option scheme;
- (c) MRN Shareholders who are subject to special taxation rules (for example, banks, insurance companies, tax exempt organisations, superannuation funds, managed investment trusts, dealers in securities, temporary residents);
- (d) MRN Shareholders whose MRN Shares are subject to the “taxation of financial arrangements” (TOFA) rules in the *Income Tax Assessment Act 1997* (Cth);
- (e) MRN Shareholders who acquired their shares before 20 September 1985;
- (f) non-Australian resident MRN Shareholders that have held their MRN Shares at any time in carrying on a business at or through a permanent establishment in Australia; and
- (g) Australian resident MRN Shareholders that have held their MRN Shares at any time in carrying on a business at or through a permanent establishment outside of Australia.

The information in this description is based upon Australian taxation law and practice in effect at the date of this Bidder’s Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular MRN Shareholders.

MRN Shareholders are advised to seek independent professional advice regarding the Australian tax consequences of disposing of their MRN Shares according to their particular circumstances.

5.2 Shareholders who are Australian residents for tax purposes

(a) CGT consequences of accepting the Offer

If you are an Australian resident for Australian income tax purposes, the disposal of your MRN Shares pursuant to the Offer should constitute a CGT event.

The time of the CGT event is when you dispose of your MRN Shares for CGT purposes. You should be taken to have disposed of your MRN Shares for CGT purposes when the contract to sell your MRN Shares comes into existence. This should generally be the date that you accept the Offer to dispose of your MRN Shares. However, if you do not ultimately dispose of your MRN Shares (eg, if the Defeating Conditions are not fulfilled or the Offer is withdrawn) then no such CGT event should occur.

The disposal of your MRN Shares will give rise to a capital gain or loss equal to the difference between:

- (i) the capital proceeds received for the disposal of your MRN Shares (ie, the cash received under the Offer); and
- (ii) the cost base (or, in the case of a capital loss, reduced cost base) of your MRN Shares (which would generally include the amount paid to acquire the MRN Shares plus any incidental costs of acquisition, eg, brokerage fees and stamp duty).

You will need to consider the consequences of the disposal of different parcels of your MRN Shares, including the fact that you might have acquired some of your MRN Shares (or parcels thereof) at different times to acquiring others. For example, you may derive capital gains on some parcels of your MRN Shares and capital losses on others.

Your net capital gain for the income year is included in your assessable income for the income year. Broadly, your net capital gain for an income year is the total of all of the capital gains derived during the income year less available capital losses realised in the income year and available net capital losses arising in previous income years. That amount may be reduced further by other concessions, particularly under the discount CGT rules, discussed below.

If you make a capital loss from the disposal of your MRN Shares the capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying any applicable carry forward loss conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

(b) Indexation

If your MRN Shares were acquired by you at or before 11.45 am (ACT time) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), you may choose that the cost base of those shares be indexed for inflation to 30 September 1999.

If you choose the indexation option, capital losses are applied after calculating the capital gain using the indexed cost base.

The “choice” to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs. The manner in which you complete your income tax return is generally sufficient evidence of your making of a choice.

Alternatively, provided you have held your MRN Shares for at least 12 months, and you do not choose to apply indexation, the discount capital gain provisions may apply (as discussed further below).

(c) Discount capital gains

Subject to the comments regarding indexation above, if you are an individual, or a trustee of a trust and have held your MRN Shares for at least 12 months before disposal, the discount capital gain provisions should apply. This means that if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation in the cost base of the shares) after offsetting any applicable capital losses will be taxable.

The discount capital gain provisions do not apply to companies.

If you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies). The CGT provisions which apply to trustees and beneficiaries of trusts are complex and you should seek advice from your professional tax adviser in this regard.

Where the discount capital gains rules apply, any available capital losses are applied first before discounting the resulting net amount to calculate the net capital gain that is included in assessable income.

5.3 Shareholders who are not Australian residents for tax purposes

If you are not a resident of Australia for Australian income tax purposes or you hold the MRN Shares as trustee of a trust that is not an Australian resident, you should generally not be subject to CGT on the disposal of your MRN Shares unless both of these conditions apply to you:

- (a) you (together with your associates) owned at least 10% of the total number of MRN Shares on issue either at the time you disposed of your MRN Shares or for at least 12 months during the 24 months before you disposed of your MRN Shares; and
- (b) 50% or more of the value of MRN is represented, directly or indirectly, by real property in Australia (which for these purposes includes mining rights and leases located in Australia).

If you either alone or together with your associates hold 10% or more of the total number of MRN Shares on issue you should seek your own professional advice with respect to the CGT consequences of disposing of your MRN Shares.

5.4 GST

The disposal of your MRN Shares in return for cash under the Offer will not attract GST. To the extent that you incur GST on acquisitions which you make in connection with the Offer (such as adviser fees) you may not be entitled to an input tax credit or only entitled to a reduced input tax credit for that GST, depending on your particular circumstances.

5.5 Stamp Duty

As a condition of the Offer, Nine Bidder has agreed to pay any stamp duty payable on the acquisition by Nine Bidder of your MRN Shares.

6. OTHER MATERIAL INFORMATION

6.1 Offer conditions

The Defeating Conditions of the Offer are set out in section 7.12 of this Bidder's Statement.

6.2 ASIC Modifications

Nine Bidder has not obtained from ASIC any modifications of, or exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including Nine Bidder.

6.3 Consents

This Bidder's Statement contains statements made by, or statements based on statements made by, Nine, Nine Bidder, Ashurst and Jefferies. Each of Nine, Nine Bidder, Ashurst and Jefferies has given and has not, before lodgement of this Bidder's Statement with ASIC, withdrawn their consent to the inclusion of:

- (a) references to its name;
- (b) each statement it has made; and
- (c) each statement which is based on a statement it has made,

in this Bidder's Statement in the form and context in which those statements appear and to the maximum extent permitted by law expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than any statement which has been included in this Bidder's Statement with the consent of that party.

Each person who is named in this Bidder's Statement as acting in a professional capacity for Nine Bidder in relation to the Offer:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based, other than a statement included in this Bidder's Statement with the consent of that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than any statement which has been included in this Bidder's Statement with the consent of that party.

ASIC has published various "Class Order" instruments providing for modifications and exemptions that generally apply to all persons including Nine Bidder, in relation to the operation of Chapter 6 of the Corporations Act. Amongst others, Nine Bidder has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class Order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to Class Order 13/521, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement.

As required by Class Order 13/521, Nine Bidder will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to you and other MRN Shareholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), you may telephone the Offer information line on 1800 992 145 (for calls made within Australia) or +61 1800 992 145 (for calls made from outside Australia).

6.4 Independent Expert's Report

Under section 640 of the Corporations Act, if a bidder's voting power in the target is 30% or more, the Target's Statement must include or be accompanied by a report by an expert that states whether, in the expert's opinion, the takeover offers are fair and reasonable and gives reasons for forming that opinion.

As at the date of this Bidder's Statement, Nine Bidder has more than 30% of the voting power in MRN. Accordingly, the directors of MRN are required to commission an independent expert's report in relation to the Offer under section 640 of the Corporations Act. The Independent Expert has been engaged by MRN for this purpose and the Independent Expert's Report will be enclosed with the Target Statement from MRN.

6.5 No other material information

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to Nine Bidder and has not previously been disclosed to the MRN Shareholders.

7. THE OFFER TERMS

7.1 The Offer

- (a) Nine Bidder offers to acquire all of your MRN Shares on the terms set out in this Offer.
- (b) This Offer extends to all MRN Shares that are on issue until the end of the Offer Period.
- (c) If Nine Bidder acquires your MRN Shares under this Offer, Nine Bidder is also entitled to any Rights attached to those MRN Shares.
- (d) The Offer is dated 13 September 2019.

7.2 Consideration for the Offer

Subject to the terms of this Offer, Nine Bidder offers \$1.46 cash per MRN Share.

7.3 Offer Period

Unless withdrawn or extended, this Offer is open during the period that begins on the date of this Offer, being 13 September 2019, and ends at 7:00 pm Sydney time on 14 October 2019.

If, within the last 7 days of the Offer Period, any of the following occurs, section 624(2) of the Corporations Act will apply to extend the Offer Period so that it ends 14 days after that event:

- (a) Nine Bidder varies the Offer to improve the consideration offered; or
- (b) the consideration is taken to be increased under section 651A(2) of the Corporations Act because Nine Bidder purchases MRN Shares outside the Takeover Bid for a cash price higher than the consideration offered.

7.4 How to accept this Offer

Sections 7.4(b) and 7.4(c) of this Bidder's Statement refer, among other things, to the different Acceptance Forms for use to accept this Offer depending on the nature of the MRN shareholding. You will only be sent one type of Acceptance Form with this Bidder's Statement, which will be the Acceptance Form to be used in relation to your MRN Shares.

(a) Accept for all of your MRN Shares

You can only accept this Offer during the Offer Period and the Offer may only be accepted for all of your MRN Shares. You will be taken to have accepted the Offer for all your MRN Shares plus any additional MRN Shares held by you at the date your acceptance is processed (despite any difference between that number and the number of MRN Shares specified on your Acceptance Form when you accept this Offer).

(b) CHESS Holdings

If your MRN Shares are in a CHESS Holding (in which case your holder identification number will commence with 'X'), to accept this Offer you must either:

- (i) **complete and sign** the CHESS Acceptance Form in accordance with the instructions on it. Once completed and signed, you need to **return** the Acceptance Form together with all other documents required by the instructions on it to one of the addresses specified on the form. This will authorise Nine Bidder to instruct your Controlling Participant (usually your Broker) to initiate acceptance of this Offer on your behalf. For return of the Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received by Nine Bidder in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period; or
- (ii) **instruct** your Controlling Participant (usually your Broker) to initiate acceptance of this Offer under rule 14.14 of the ASX Settlement Operating Rules, so as to be effective before the end of the Offer Period.

If you are the Controlling Participant, you must yourself initiate acceptance under rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period.

(c) Issuer Sponsored Holdings and other holdings

If your MRN Shares are held on MRN's issuer sponsored subregister (in which case your securityholder reference number will commence with 'I'), or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of, or are otherwise able to give good title to, your MRN Shares, to accept this Offer you must:

- (i) **complete and sign** the Issuer Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form together with all other documents required by the instructions on it to one of the addresses specified on the form so that they are received before the end of the Offer Period.

7. THE OFFER TERMS

7.5 Foreign Laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

7.6 Entitlement to Offer

- (a) If at the time this Offer is made to you, or at any time during the Offer Period and before you accept this Offer, another person is, or is entitled to be, registered as the holder of, or is able to give good title to, some or all of your MRN Shares (such an MRN Share in this paragraph being called an **Entitlement Share**) then, in accordance with section 653B(1)(a) of the Corporations Act:
 - (i) a corresponding Offer shall be deemed to have been made at that time to that other person relating to the Entitlement Shares;
 - (ii) a corresponding Offer shall be deemed to have been made at that time to you relating to your MRN Shares other than the Entitlement Shares; and
 - (iii) this Offer shall be deemed immediately after that time to have been withdrawn.
- (b) If at any time during the Offer Period and before the Offer is accepted, you hold MRN Shares on trust for, as nominee for, or on account of, another person or persons, then a separate and distinct Offer shall be deemed, in accordance with section 653B(1)(b) of the Corporations Act, to have been made to you in relation to each parcel of MRN Shares within your MRN Shares. An acceptance by you of the Offer in respect of any such distinct portion of your MRN Shares will be ineffective unless you have given Nine Bidder notice stating that your MRN Shares consist of separate and distinct parcels and your acceptance specifies the number of MRN Shares in the distinct portions to which the acceptance relates. If your MRN Shares are in a CHESS Holding, the notice may be transmitted in an electronic form approved by the ASX Settlement Operating Rules. Otherwise, the notice must be given to Nine Bidder in writing.
- (c) Beneficial owners whose MRN Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Offer accepted in respect of the MRN Shares which they beneficially own.

7.7 Effect of Acceptance Form

By completing, signing and returning the Acceptance Form in accordance with section 7.4(b) or section 7.4(c) as applicable, you:

- (a) authorise Nine Bidder and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (i) make it an effective acceptance of this Offer for your MRN Shares which are not in a CHESS Holding; and
 - (ii) enable the transfer of your MRN Shares to Nine Bidder; and
- (b) if any of your MRN Shares are in a CHESS Holding, authorise Nine Bidder and each of its officers and agents to:
 - (i) instruct your Controlling Participant to effect your acceptance of this Offer for those MRN Shares under rule 14.14 of the ASX Settlement Operating Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those MRN Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

7.8 Your agreement

By carrying out the instructions in section 7.4 on how to accept this Offer:

- (a) you accept this Offer in respect of all your MRN Shares registered as held by you at the date your acceptance is processed despite any difference between that number and the number of MRN Shares specified in the Acceptance Form;
- (b) you represent and warrant to Nine Bidder that all your MRN Shares will at the time of your acceptance of this Offer and of transfer to Nine Bidder be fully paid up and that Nine Bidder will acquire good title to and beneficial ownership of them free from Encumbrances except as set out in the constitution of MRN;

- (c) you transfer, or consent to the transfer in accordance with the ASX Settlement Operating Rules of, your MRN Shares to Nine Bidder subject to the conditions of the constitution of MRN on which they were held immediately before your acceptance of this Offer (and Nine Bidder agrees to take those MRN Shares subject to those conditions);
- (d) if and when the contract resulting from your acceptance of this Offer becomes unconditional, you irrevocably appoint Nine Bidder and each director of, and any nominee of, Nine Bidder as your attorney to:
 - (i) attend and vote in respect of your MRN Shares at all general meetings of MRN; and
 - (ii) execute all forms, notices, documents (including a document appointing a director of Nine Bidder as a proxy for any of your MRN Shares) and resolutions relating to your MRN Shares and generally to exercise all powers and rights which you have as the registered holder of your MRN Shares;
- (e) you agree that in exercising the powers conferred by the power of attorney in section 7.8(d), Nine Bidder and each of its directors and its nominee is entitled to act in the interest of Nine Bidder;
- (f) you agree not to attend or vote in person at any general meeting of MRN or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of Nine Bidder by section 7.8(d);
- (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Nine Bidder has not yet paid or provided the consideration due to you), you authorise Nine Bidder to transmit a message to ASX Settlement in accordance with rule 14.17.1 of the ASX Settlement Operating Rules so as to enter those of your MRN Shares which are in a CHESS Holding into Nine Bidder's Takeover Transferee Holding;
- (h) agree to indemnify Nine Bidder and each of its agents in respect of any claim or action against it or any loss, damage or liability incurred by it as a result of you not producing your holder identification number or securityholder reference number or in consequence of the transfer of your MRN Shares being registered by MRN without production of your holder identification number or securityholder reference number; and
- (i) irrevocably authorise and direct MRN (on receipt of a written request from Nine Bidder) to pay to Nine Bidder or to account to Nine Bidder for all Rights. This is subject to any such Rights received by Nine Bidder being accounted for by Nine Bidder to you, in the event that this Offer is withdrawn or avoided.

7.9 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 7.7 and paragraphs (d) and (g) of section 7.8.

7.10 Validation of otherwise ineffective acceptances

Except for MRN Shares in a CHESS Holding, Nine Bidder may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Nine Bidder does treat such an Acceptance Form as valid, subject to section 7.18, Nine Bidder will not be obliged to give the consideration to you until Nine Bidder receives all those documents and all of the requirements for acceptance referred to in section 7.4 and in the Acceptance Form have been met.

7.11 Dividends and other entitlements

- (a) Other than the dividend declared by MRN on 7 August 2019, Nine Bidder will be entitled to all Rights declared, paid, made, or which arise or accrue on or after the Announcement Date in respect of MRN Shares that it acquires pursuant to this Offer.
- (b) Other than the dividend declared by MRN on 7 August 2019, if any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date to the holders of MRN Shares, Nine Bidder will (provided the same has not been paid to Nine Bidder) be entitled to reduce the consideration specified in section 7.2 and payable by it to accepting holders of MRN Shares by an amount equal to the value of such Rights.
- (c) If any non-cash Rights are issued or made or arise or accrue after the Announcement Date to the holders of MRN Shares, Nine Bidder will (provided the same has not been issued to Nine Bidder) be entitled to reduce the consideration specified in section 7.2 and payable by it to accepting holders of MRN Shares by an amount equal to the value (as reasonably assessed by the Chairman of the ASX or his or her nominee) of such non-cash Rights.

7. THE OFFER TERMS

7.12 Defeating Conditions

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following Defeating Conditions:

(a) Minimum acceptance condition

At the end of the Offer Period, Nine Bidder has a relevant interest in more than 90% (by number) of the MRN Shares on issue at that time.

(b) No prescribed occurrences

Between the date the Bidder's Statement is given to MRN and the end of the Offer Period none of the following events happen:

- (i) MRN converts all or any of its shares into a larger or smaller number of shares;
- (ii) MRN or a subsidiary of MRN resolves to reduce its share capital in any way;
- (iii) MRN or a subsidiary of MRN:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) MRN or a wholly owned subsidiary of MRN issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) MRN or a wholly owned subsidiary of MRN issues, or agrees to issue, convertible notes;
- (vi) MRN or a wholly owned subsidiary of MRN disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property of the MRN Group considered in aggregate;
- (vii) MRN or a wholly owned subsidiary of MRN grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property of the MRN Group considered in aggregate;
- (viii) MRN or a wholly owned subsidiary of MRN resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of MRN or of a wholly owned subsidiary of MRN;
- (x) a court makes an order for the winding up of MRN or of a wholly owned subsidiary of MRN;
- (xi) an administrator of MRN, or of a wholly owned subsidiary of MRN, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) MRN or a wholly owned subsidiary of MRN executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of MRN or of a wholly owned subsidiary of MRN when considered in aggregate.

(c) No prescribed occurrences between announcement and service

None of the events listed in sub-paragraph (i) to (xiii) of paragraph (b) happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to MRN.

(d) No action by Public Authority adversely affecting the Offer

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to MRN or any subsidiary of MRN; and
- (iii) no application is made to any Public Authority (other than an application by Nine or any company within the Nine Group, an application under section 657G of the Corporations Act or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer),

in consequence of, or in conjunction with, the Offer, which restrains, prohibits or impedes, or threatens to restrain or, prohibit or impede, or may otherwise materially adversely impact upon, the making of the Offer or seeks to require the divestiture by Nine Bidder of any MRN Shares, or the divestiture of any assets by MRN or by any subsidiary of MRN or by any company within the Nine Group.

(e) Non-existence of certain rights under agreements or instruments

During the Condition Period, there is no person entitled to exercise, exercising or purporting to exercise, stating an intention to exercise (whether or not that intention is stated to be a final or determined decision of that person), or asserting a right to exercise, any rights under any provision of any agreement or other instruction to which MRN or any of its subsidiaries is a party, or by or to which MRN or any of its subsidiaries or any of its assets or businesses may be bound or be subject, which results, or could result, to an extent which is material in the context of MRN and its subsidiaries taken as a whole, in:

- (i) any moneys borrowed by MRN or any of its subsidiaries being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- (ii) any such agreement or other such instrument being terminated or modified or any action taken or arising thereunder (including the acceleration of the performance of any obligations thereunder); or
- (iii) any assets, shares or business of MRN or any of its subsidiaries being sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions,

other than in relation to any agreement or instrument:

- (iv) previously disclosed before the Announcement Date by MRN in a public filing with the ASX; or
- (v) disclosed in writing by MRN to Nine before the Announcement Date,

provided in each case such agreement or instrument and such entitlement to exercise, actual or purported exercise, intention to exercise or assertion was Fairly Disclosed.

(f) Conduct of MRN's business

During the Condition Period, none of MRN, or any body corporate which is or becomes a wholly owned subsidiary of MRN, without the written consent of Nine Bidder (such consent, in the case of sub-paragraphs (iii) to (ix) and (xi), not to be unreasonably withheld or delayed) other than the dividend declared by MRN on 7 August 2019:

- (i) announces, makes, distributes or pays any distribution (whether by way of dividend, bonus, capital reduction or otherwise and whether in cash or in specie);
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes or any other securities that are convertible into shares;
- (iii) enters into, amends or agrees to enter into or amend, any material contract, commitment or other arrangement with a related party of MRN or issues a notice of termination, terminates or agrees to terminate, waives or otherwise foregoes any rights under any such arrangement, other than in the ordinary course of business;
- (iv) enters into, amends or agrees to enter into or amend, any contract, commitment or other arrangement where:
 - (A) the term of the contract, commitment or arrangement is greater than 12 months and cannot be terminated by MRN on less than 6 months' notice; and
 - (B) the contract, commitment or arrangement involved MRN or a subsidiary of MRN incurring expenditure (or additional expenditure in the case of an amendment) in excess of \$1,500,000 per annum;
- (v) other than in the ordinary course of business, terminates, agrees to terminate, waives, foregoes any rights, assigns, disposes of, encumbers or otherwise deals with any rights under any contract, commitment or other arrangement, or gives its consent to any other party or parties to terminate, waive, forego any rights, assign, dispose of, encumber or otherwise deal with their respective rights under any contract, commitment or other arrangement where:
 - (A) the remaining term of the contract, commitment or arrangement is greater than 12 months; and
 - (B) the contract, commitment or arrangement involves MRN or a subsidiary of MRN being entitled to receive revenue (or additional revenue in the case of an amendment) in excess of \$1,500,000 per annum;
- (vi) voluntarily changes any accounting policy applied by it to report its financial position, other than advised by its auditors or required by law;
- (vii) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business other than as contemplated under any facility agreement disclosed by MRN in writing to Nine prior to the Announcement Date;
- (viii) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business and intercompany loans within the MRN Group);

7. THE OFFER TERMS

- (ix) other than in the ordinary course of business, releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (x) conducts its business otherwise than in the ordinary course;
- (xi) has commenced against it any claim or proceeding in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager) that is reasonably likely to have a material impact upon the business of the MRN Group;
- (xii) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation; or
- (xiii) agrees to do any of the matters set out in sub-paragraphs (i) to (xii) above.

(g) No material adverse change

- (i) During the Condition Period no event, matter or thing occurs or information is disclosed by MRN concerning any event, matter or thing which will or is reasonably likely to:
 - (A) have the effect of diminishing the consolidated net assets of the MRN Group as set out in its consolidated balance sheet of MRN at 30 June 2019 as disclosed by MRN in writing to Nine prior to the Announcement Date by at least \$20,000,000; and
 - (B) result in an ongoing diminution in the annual underlying consolidated EBITDA of MRN of at least \$3,000,000 (relative to the underlying EBITDA for the 12 months ended 30 June 2019 (**FY19 EBITDA**)) from what it would have otherwise been if the event, matter or thing (**Specified Event**) had not occurred, provided that the impact of the relevant Specified Event(s) must be determined after taking into account any matters which offset, or are reasonably likely to offset, the impact of the same Specified Event(s) on the value of EBITDA,except it does not include any event, change, condition, matter or thing:
 - (C) which was Fairly Disclosed by MRN before the Announcement Date in a public filing with ASX or Fairly Disclosed by MRN in writing to Nine before the Announcement Date;
 - (D) relating to costs and expenses incurred by MRN associated with the Offer, including all fees payable to external advisers of MRN;
 - (E) comprising or resulting from a change in any applicable law, accounting standards or policies of a Public Authority after the date of this agreement;
 - (F) comprising or resulting from any change or disruption to, or fluctuation in, general, economic, business or political conditions, including any change to or in foreign exchange rates, interest rates or commodities prices, any change or disruption to, or fluctuation in, existing financial markets, or any act of terrorism, war or natural disaster or the like, in Australia or elsewhere;
 - (G) expressly required by MRN in connection with the Offer; or
 - (H) expressly consented to in writing by Nine or Nine Bidder for the purposes of this condition.

(h) Deed of Restraint

On or before the end of the Offer Period each of MRN, John Desmond Singleton and John Singleton Promotions Pty Ltd ACN 001 608 546 validly enters into and delivers a legally binding deed in the form as set out in Annexure A.

7.13 Separate Defeating Conditions for benefit of Nine Bidder

Each of the Defeating Conditions:

- (a) is and must be construed as a separate condition; and
- (b) subject to the Corporations Act, operates only for the benefit of Nine Bidder and any breach or non-fulfilment of such condition may be relied upon only by Nine Bidder which may waive (generally or in respect of a particular event) the breach or non-fulfilment of that condition.

7.14 Nature of Defeating Conditions

None of the Defeating Conditions prevents a contract to sell your MRN Shares resulting from your acceptance of this Offer but:

- (a) breach of any of the Defeating Conditions entitles Nine Bidder to rescind that contract by notice to you; and
- (b) non fulfilment of any of the Defeating Conditions at the end of the Offer Period will have the consequences set out in section 7.17.

7.15 Notice declaring Offer free of Defeating Conditions

Subject to the Corporations Act, Nine Bidder may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Defeating Conditions by giving written notice to MRN not less than 7 days before the last day of the Offer Period.

7.16 Notice of status of Defeating Conditions

The date for giving the notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is 4 October 2019 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

7.17 Contract void if Defeating Conditions not fulfilled

Your acceptance or the contract resulting from your acceptance of this Offer is void if:

- (a) at the end of the Offer Period any of the Defeating Conditions in section 7.12 is not fulfilled; and
- (b) Nine Bidder has not declared this Offer and any contract resulting from the acceptance of it free of that Defeating Condition in accordance with section 7.15.

7.18 Obligations of Nine Bidder

(a) When will Nine Bidder pay you?

Subject to this section 7.18 and the Corporations Act, if you accept this Offer Nine Bidder will pay you the consideration for your MRN Shares to which Nine Bidder acquires good title, on or before the earlier of:

- (i) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (ii) the day 21 days after the end of the Offer Period.

(b) Acceptance Form requires additional documents

Where documents are required to be given to Nine Bidder with your acceptance to enable Nine Bidder to become the holder of your MRN Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Nine Bidder will pay you in accordance with section 7.18(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to a Defeating Condition, Nine Bidder will pay you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after the contract resulting from your acceptance becomes unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is no longer subject to a Defeating Condition, Nine Bidder will pay you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after Nine Bidder is given the documents; and
 - (B) 21 days after the end of the Offer Period; or
- (iv) if the documents are given after the end of the Offer Period, Nine Bidder will pay you the consideration within 21 days after the documents are given. However, if at the time Nine Bidder is given the documents the contract resulting from acceptance of the Offer is still subject to a Defeating Condition in section 7.12, Nine Bidder will pay you the consideration within 21 days after the contract becomes unconditional.

7. THE OFFER TERMS

(c) Delivery of consideration

Subject to the Corporations Act, Nine Bidder will send cheques for the cash payment due to you at your risk by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.

If, at the time of acceptance of this Offer, any authority or clearance of a Public Authority is required for you to receive any consideration under this Offer or you are resident in or a resident of a place, or you are a person to whom any law (including any regulations) of Australia that would make it unlawful for Nine to provide consideration for your MRN Shares (for example, *The Banking (Foreign Exchange) Regulations 1959* (Cth), and Part 4 of the *Charter of the United Nations Act 1945* (Cth) and any regulations under that act), then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by Nine.

7.19 Return of documents

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by Nine Bidder on the grounds of a breach of a condition of that contract, Nine Bidder will, at its election, either return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

7.20 Rights

If Nine Bidder becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Nine Bidder all documents necessary to vest title to those Rights in Nine Bidder. If you do not give those documents to Nine Bidder, or if you have received or are entitled to receive (or any previous holder of your MRN Shares has received or is entitled to receive) the benefit of those Rights, Nine Bidder may deduct the amount (or value as reasonably assessed by Nine Bidder) of such Rights (excluding the value of any franking credit) from any consideration otherwise payable to you. If Nine Bidder does not, or cannot, make such a deduction, you must pay that amount to Nine Bidder.

7.21 Costs and stamp duty

- (a) Nine Bidder will pay all costs and expenses of the preparation and circulation of the Offer and any stamp duty payable on the transfer of any MRN Shares to Nine Bidder.
- (b) If your MRN Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Nine Bidder you will not incur any brokerage in connection with your acceptance of this Offer.

7.22 Offerees

(a) Registered holders

Nine Bidder is making an offer in the form of this Offer to each holder of MRN Shares registered in the register of members of MRN at the Register Date.

(b) Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your MRN Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those MRN Shares.

(c) Trustees and nominees

If during the Offer Period and before you accept this Offer your MRN Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Act will apply so that:

- (i) Nine Bidder is taken to have made a separate Offer to you for each separate parcel of MRN Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of MRN Shares is ineffective unless:
 - (A) you give Nine Bidder notice in accordance with section 7.22(d) stating that your MRN Shares consist of separate parcels; and
 - (B) your acceptance specifies the number of MRN Shares in each separate parcel to which the acceptance relates.

(d) Notices by Trustees and Nominees

The notice required under section 7.22(c)(ii)(A):

- (i) if it relates to MRN Shares not in a CHESS Holding, must be in writing; or
- (ii) if it relates to MRN Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act.

7.23 Variation and withdrawal of Offer

(a) Variation

Nine Bidder may vary this Offer in accordance with the Corporations Act.

(b) Withdrawal

In accordance with section 652B of the Corporations Act, Nine Bidder may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent. If Nine Bidder withdraws this Offer, any contract resulting from its acceptance will automatically be void.

7.24 Governing law

This Offer and any contract resulting from acceptance of it are governed by the law in force in New South Wales.

8. DEFINITIONS AND INTERPRETATION

8.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

Acceptance Form means the form with that title that accompanies this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Nine Bidder (and includes, to avoid doubt, both the Issuer Acceptance Form and the CHES Acceptance Form).

Announcement Date means 12 August 2019.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

Bidder's Statement means this document, being the statement made by Nine Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Takeover Bid.

Broker means a person who is a share broker and participant in CHES.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.

CHES Holding means a holding of shares on the CHES Subregister of MRN.

CHES Subregister has the meaning set out in the ASX Settlement Operating Rules.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Controlling Participant has the meaning set out in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

Defeating Condition means each condition set out in section 7.12 of this Bidder's Statement.

Directors means the directors of the MRN board.

EBITDA means earnings before interest, tax, depreciation and amortisation.

Encumbrance means:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien;
- (c) an easement, restrictive covenant, caveat or similar restriction over property;
- (d) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (e) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (f) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (g) an agreement to create anything referred to above or to allow any of them to exist.

Fairly Disclosed means such information has been disclosed as would enable a reasonable and sophisticated recipient, experienced in transactions similar to the transaction the subject of the Takeover Bid and familiar with the business of radio broadcasting and associated activities in Australia, to be aware of the nature and scope of the relevant matter, event or circumstance.

Foreign Law means a law of a jurisdiction other than an Australian jurisdiction.

FY18 means Financial Year 2018.

FY19 means Financial Year 2019.

GST has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Independent Directors means those Directors which MRN has announced who have been appointed to consider Nine Bidder's Offer, being Russell Tate, Monique Anderson and Louise McCann.

Independent Expert means the independent expert commissioned by MRN, being PricewaterhouseCoopers Securities Ltd, ABN 54 003 311 617.

Independent Expert's Report has the meaning given to that term in section 6.4 of this Bidder's Statement.

Issuer Sponsored Holding means a holding of MRN Shares on MRN's issuer sponsored subregister.

Maximum Cash Consideration is the total amount Nine Bidder would be required to pay to clear all acceptances if all MRN Shareholders other than Nine Bidder itself accepted the Offer, being \$113,891,744.24.

MRN means Macquarie Media Limited ABN 32 063 906 927.

MRN Group means MRN and each of its Related Bodies Corporate.

MRN Shareholder means a person who is registered as the holder of an MRN Share in the Register.

MRN Shares means fully paid ordinary shares in the capital of MRN.

Nine means Nine Entertainment Co. Holdings Limited ABN 60 122 203 892.

Nine Bidder means Fairfax Media Limited ABN 15 008 663 161.

Nine Group means Nine and its Related Bodies Corporate.

Offer means the offer as set out in section 7 of this Bidder's Statement and includes a reference to that offer as varied in accordance with the Corporations Act.

Offer Period means the period referred to in section 7.3 of this Bidder's Statement.

PPS Security Interest means a security interest that is subject to the *Personal Property Securities Act 2009* (Cth).

Public Authority means any federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, administrative, statutory or judicial entity, arbitral body, commission, board, bureau or authority or agency (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer). It also includes any self-regulatory organisation established under statute or any stock exchange.

Register means the register of MRN Shareholders maintained by MRN in accordance with the Corporations Act.

Register Date means 7:00pm Sydney time on 2 September 2019, being the date set by Nine Bidder under section 633(2) of the Corporations Act.

Related Bodies Corporate has the meaning given to 'related body corporate' under the Corporations Act except, for the purposes of this Bidder's Statement, MRN and its subsidiaries (as defined in the Corporations Act) shall not be taken to be Related Bodies Corporate of Nine Bidder or Nine.

Rights means all accretions and rights attaching to MRN Shares after the Announcement Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by MRN but excluding the dividend declared by MRN on 7 August 2019).

Takeover Bid means the takeover bid constituted by the Offer.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Takeover Transferee Holding means the CHESS Holding to which MRN Shares are to be transferred after acceptance of the Offer.

8. DEFINITIONS AND INTERPRETATION

Target's Statement means the target's statement issued by MRN in response to this Bidder's Statement in accordance with Part 6.5 Division 3 of the Corporations Act.

TOFA has the meaning given to that term in section 5.1(d) of this Bidder's Statement.

your MRN Shares means, subject to section 7.22, the MRN Shares:

- (a) of which you are registered or entitled to be registered as the holder in the register of members of MRN at the Register Date; and
- (b) any other MRN Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

8.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests one gender includes the other genders;
 - (iii) if a word is defined, another part of speech has a corresponding meaning;
 - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this Bidder's Statement;
 - (v) a reference to a person includes a body corporate;
 - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated; and
 - (vii) appendices to this Bidder's Statement form part of it.

9. APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a resolution of the directors of Fairfax Media Limited.

Dated 30 August 2019

Signed on behalf of Fairfax Media Limited by Mr Hugh Marks who is authorised to sign by a resolution passed at a meeting of the directors of Fairfax Media Limited.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Director

ANNEXURE A

Deed Of Restraint

Between:

- (1) **John Desmond Singleton** of care of 120B Underwood Street, Paddington, NSW, 2021 (**Singleton**);
 - (2) **John Singleton Promotions Pty Ltd** ACN 001 608 546 of 120B Underwood Street, Paddington, NSW, 2021 (**Singleton Promotions**),
- (together, the **Restrained Parties**); and
- (3) **Macquarie Media Limited** ACN 063 906 927 of Level 1, 33-35 Saunders Street Pyrmont, NSW, 2009 (**MRN**).

Recitals:

- (a) Nine or one of its Related Bodies Corporate has made or is proposing to make an off-market takeover bid for MRN Shares under Chapter 6 of the Corporations Act pursuant to the terms of the Offer.
- (b) It is a Condition to the Offer that the Restrained Parties enter into and deliver this document.
- (c) The Restrained Parties have, directly or indirectly, an existing interest in the Business and propose to enter into this document in order to facilitate the Bid.

THE PARTIES AGREE AS FOLLOWS:

1. Interpretation

1.1 Definitions

Affiliate means:

- (a) in relation to a body corporate, each of:
 - (i) that body's Related Bodies Corporate;
 - (ii) the governing body of that body or that body's Related Bodies Corporate;
 - (iii) the directors, senior officers, secretaries or any other person appointed to act as an authorised officer of that body or that body's Related Bodies Corporate;
 - (iv) the persons who have a Substantial Holding in that body;
 - (v) if the body corporate is the trustee of a unit trust, or has acted in that capacity, each of the unit holders of the trust from time to time;
 - (vi) if the person is a trustee of a trust which is not a unit trust, or has acted in that capacity, each of the beneficiaries or potential beneficiaries of the trust from time to time; and
 - (vii) the persons who would be an associate of the body for the purposes of section 12 or section 15 of the Corporations Act in respect of another body;
- (b) in relation to a natural person, any:
 - (i) body corporate for which that person is a director or in which that person has a Substantial Holding;
 - (ii) trust in respect of which that person is a trustee or a beneficiary;
 - (iii) if the person is the trustee of a unit trust, or has acted in that capacity, each of the unit holders of the trust from time to time; and
 - (iv) if the person is a trustee of a trust which is not a unit trust, or has acted in that capacity, each of the beneficiaries or potential beneficiaries of the trust from time to time; and
 - (v) the persons who would be an associate of the person for the purposes of section 12 or section 15 of the Corporations Act in respect of a body.

Bid means an off-market takeover bid by Nine or one of its Related Bodies Corporate for all MRN Shares under Chapter 6 of the Corporations Act.

Business means the business of radio and associated media activities which associated media activities are of the nature of the activities conducted by any one or more of the Group Companies as at 8 August 2019 in Australia.

Business Day means a day (other than Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia.

Condition means a defeating condition to the Offer.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

Effective Date means the date on which the Offer becomes free from all Conditions.

Group Company means MRN and each of its subsidiaries.

MRN Share means an ordinary share in the capital of MRN.

Nine means Nine Entertainment Co. Holdings Limited ACN 122 203 892.

Offer means each offer to acquire MRN Shares to be made by Nine or one of its Related Bodies Corporate to MRN shareholders in connection with the Bid.

Related Bodies Corporate has the meaning given in the Corporations Act.

Restrained Business means a business or operation similar to, or competitive with, the Business.

Restraint Area means each of the following:

- (a) Australia;
- (b) New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania and the ACT;
- (c) the capital city of each of the states referred to in paragraph (b) above and Canberra; and
- (d) Sydney, Melbourne and Brisbane.

Restraint Period means each of the following periods:

- (a) from the date two years after the Effective Date until the date three years after the Effective Date;
- (b) from the date one year after the Effective Date until the date two years after the Effective Date;
- (c) from the Effective Date until the date one year after the Effective Date.

Substantial Holding means a holding of more than 5% of the voting shares or interests in a body corporate, directly or through an interest in any interposed entity, including through:

- (a) an equitable interest in the voting shares, including an equitable interest arising under a declaration of trust, an agreement for sale and purchase or an option agreement;
- (b) a right to receive directly or indirectly any dividends payable in respect of voting shares;
- (c) a right of pre-emption, first refusal or other control over the disposal of the voting shares;
- (d) acquiring any right of control over the exercise of any voting rights or rights to appoint directors attaching to the voting shares; or
- (e) otherwise acquiring legal or equitable rights against the registered holder of the voting shares which have the effect of placing the person in the same position as if the person had acquired a legal or equitable interest in the voting shares.

ANNEXURE A

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (g) The expressions **controller**, **subsidiary**, **holding company**, **related body corporate**, **relative** and **substantial holder** have the same meanings as in the Corporations Act.

1.3 Multiple parties

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

2. Restraint

2.1 Non-competition – undertakings to protect goodwill

- (a) Each of the Restrained Parties must not, during any Restraint Period within any Restraint Area:
 - (i) conduct, carry on, promote or support (whether on its own account, in partnership, in joint venture or as employee or agent of or manager for any other person) a Restrained Business;
 - (ii) be concerned, involved or interested in any Restrained Business (directly or through any interposed body corporate, trust or partnership) as trustee, principal, agent, shareholder, unitholder, independent contractor, consultant, adviser or in any other capacity; or
 - (iii) provide to any person any direct or indirect financial or other assistance which assists that person to engage in any Restrained Business.
- (b) Each of the Restrained Parties must also procure that each of their Affiliates comply with the provisions of paragraph (a) above as if it were a Restrained Party.
- (c) This clause 2.1 does not prevent the continuation of an agent/consultancy agreement between Singleton and a specified person to which Nine provides its express written consent to the extent that agreement does not relate to activities other than the agency representation of that specified person for on-air roles.

2.2 Non-interference – further undertakings to protect goodwill

- (a) Each of the Restrained Parties must not, during any Restraint Period:
 - (i) secure or seek to attract the custom of, or entice away, any person who is at the Effective Date a customer of a Group Company which for the avoidance of doubt does not include listeners or private persons acquiring services such as podcasts for non-commercial purposes;
 - (ii) represent itself as being in any way connected with or interested in or associated with:
 - (A) a Group Company (except as the prior owner of the MRN Shares); or
 - (B) any business carried on by MRN or by a Group Company; or
 - (iii) do or say anything harmful to the reputation of a Group Company or which may lead a person to cease, curtail or alter the terms of its dealings with a Group Company.
- (b) Each of the Restrained Parties must also procure that each of their Affiliates comply with the provisions of paragraph (a) above as if it were a Restrained Party.

2.3 No solicitation of employees and contractors

During the Restraint Period, the Restrained Parties must not and the Restrained Parties must procure that each of their Affiliates do not, for any reason (whether on its own behalf or on the behalf of any other person) solicit or attempt to solicit for employment or a contract relationship any person who was an employee of a Group Company, or in a contractor relationship with a Group Company, to provide on-air services or duties at the Effective Date or within 6 months prior to the Effective Date.

2.4 Restraints cumulative

Each of the restraints in clause 2.1 resulting from the various combinations of the Restraint Periods and the Restraint Areas, and each of the restraints contained in clauses 2.2 and 2.3 resulting from the various Restraint Periods, is a separate, severable and independent restraint and:

- (a) clause 4.5(c) applies to each of those restraints; and
- (b) the invalidity or unenforceability of any of the restraints in clauses 2.1 to 2.3 does not affect the validity or enforceability of any of the other restraints in those clauses.

2.5 Restraints reasonable

The Restrained Parties acknowledge that each of the restraints in clauses 2.1 to 2.3 is reasonable in its extent (as to duration, geographical area and restrained conduct) having regard to the interests of each party to this document and goes no further than is reasonably necessary to protect the goodwill of the Group Companies and the Business.

2.6 Legal advice

Each of the Restrained Parties acknowledge that it has received legal advice, or has had the opportunity to obtain legal advice, about this document and about this clause 2 in particular.

2.7 Damages inadequate

Each of the Restrained Parties acknowledges that:

- (a) monetary damages would not be adequate compensation to MRN for a breach of the Restrained Parties' undertakings in this clause 2; and
- (b) MRN may seek an injunction if the Restrained Parties do not comply with this clause 2, or if MRN has reasonable grounds to believe the Restrained Parties will not so comply.

ANNEXURE A

3. Notices

3.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent in electronic form (such as email).

3.2 When a notice is given

A notice, consent or other communication that complies with this clause 3 is regarded as given and received:

- (a) if it is sent by mail:
 - (i) within Australia – three Business Days after posting; or
 - (ii) to or from a place outside Australia – seven Business Days after posting; and
- (b) if it is sent in electronic form – when the sender receives a valid, digitally signed acknowledgment of receipt from the addressee.

3.3 Address for notices

A person's mail address is that set out below, or as the person notifies the sender:

Singleton

Address: c/-120B Underwood Street, Paddington, NSW, 2021

Attention: Mr John Singleton

Singleton Promotions

Address: 120B Underwood Street, Paddington, NSW, 2021

Attention: Mr John Singleton

MRN

Address: 33-35 Saunders Street Pyrmont, NSW, 2009

Attention: Company Secretary

A person's address for messages sent in electronic form are as the person notifies the sender.

4. General

4.1 Governing law

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of New South Wales and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document.

4.2 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that any other party may reasonably require to give full effect to this document.

4.3 Consents

Where this document contemplates that a party may agree or consent to something (however it is described), that party may:

- (a) agree or consent, or not agree or consent, in its absolute discretion; and
- (b) agree or consent subject to conditions,

unless this document expressly contemplates otherwise.

4.4 Variation of rights

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

4.5 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

4.6 No merger

No provision of this document merges on the Effective Date.

4.7 Counterparts

This document may be executed in counterparts.

ANNEXURE A

EXECUTED as a deed.

SIGNED, SEALED and DELIVERED by
John Desmond Singleton in the presence of:

Signature of witness

Signature of party

Name (printed) of witness

EXECUTED by **John Singleton Promotions Pty Ltd ACN 001 608 546:**

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by **Macquarie Media Limited ACN 063 906 927:**

Signature of director

Signature of director/secretary

Name

Name

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