

**2016
Notice of Annual
General Meeting**

Dear Shareholder

2016 ANNUAL GENERAL MEETING

On behalf of the Board, I am pleased to invite you to attend the 2016 Annual General Meeting (**AGM**) of Nine Entertainment Co. Holdings Limited on Tuesday, 15 November 2016, at 10.00am, at Gilbert+Tobin, Level 35, Tower Two, 200 Barangaroo Avenue, Barangaroo.

The Notice of Meeting and Explanatory Statement contain important information about the matters to be considered at the meeting.

If you are unable to attend the AGM but wish to appoint a proxy, please complete and return the enclosed proxy form so that it is received prior to 10.00am on 13 November 2016. Details of how to complete and submit the proxy form are included on the proxy form.

If you wish to submit a question to the AGM on any matters relating to the management of the Company, there is a link available via the Nine Entertainment Co. website (www.nineentertainment.com.au). While time may not permit me to address all the questions submitted, I will try, during the course of the AGM, to address the more frequently raised shareholder matters.

If you are unable to attend the meeting in person, you will be able to watch the meeting via webcast, which will be accessible via the Company's website (www.nineentertainment.com.au).

I look forward to seeing you at the AGM on Tuesday, 15 November 2016.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P Costello', written in a cursive style.

Peter Costello
Chairman

Notice of Meeting

Nine Entertainment Co. Holdings Limited ACN 122 203 892 (Company) will hold its Annual General Meeting at Gilbert+Tobin, Level 35, Tower Two, 200 Barangaroo Avenue, Barangaroo on Tuesday, 15 November 2016 at 10.00am (Sydney time) for the purpose of transacting the following business referred to in this Notice of Meeting.

Please read this Notice and Explanatory Statement carefully.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary in the Explanatory Statement.

1. Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2016, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

2. Resolution 1 – Non Binding Resolution to adopt the Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2016 as set out in the Annual Report.

Note: The vote on this Resolution is advisory only and does not bind the Company.

3. Resolution 2 – Election of Ms Elizabeth Gaines as a Director

To elect Ms Elizabeth Gaines, who was appointed a Director of the Company by the Board, and is required to seek election in accordance with clause 26.6 of the Constitution, as a Director.

4. Resolution 3 – Election of Ms Catherine West as a Director

To elect Ms Catherine West, who was appointed a Director of the Company by the Board, and is required to seek election in accordance with clause 26.6 of the Constitution, as a Director.

5. Resolution 4 – Re-election of Mr David Gyngell as a Director

To re-elect Mr David Gyngell, who retires in accordance with clause 26.10 of the Constitution and offers himself for re-election, as a Director

6. Resolution 5 – Grant of 2016 performance rights to CEO

To approve for all purposes the grant of 906,149 performance rights to the Chief Executive Officer, Mr Hugh Marks, as described in the Explanatory Statement.

7. Resolution 6 – Grant of 2017 performance rights to CEO

To approve for all purposes the grant of 1,372,549 performance rights to the Chief Executive Officer, Mr Hugh Marks, as described in the Explanatory Statement.

By order of the Board



Rachel Launders
Company Secretary

Dated: 7 October 2016

Information for Shareholders

Shareholders who are entitled to vote

You are eligible to attend and vote at the AGM, if you are registered as a Shareholder as at 7.00pm (Sydney time) on 13 November 2016.

How to vote

Shareholders can vote by either:

- attending the AGM and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the AGM are asked to arrive at the venue by 9.45am so that their holding may be checked against the Company's share register and their attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the AGM.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the AGM. The appointment must comply with the requirements of the Corporations Act. The representative should bring to the AGM evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the AGM. The proxy can be either an individual or a body corporate. A proxy need not be a Shareholder.

Where two proxies are appointed by a shareholder, the appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. If the appointment does not specify the proportion or number of the Shareholder's votes which each proxy may exercise, the votes will be divided equally among the proxies.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. Proxy appointments in favour of the Chairman that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice.

To be effective, proxies must be lodged by 10.00am (Sydney time) on 13 November 2016. Proxies may be lodged using any of the methods set out on the enclosed proxy form.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company by 10.00am (Sydney time) on 13 November 2016.

Explanatory Statement

This Explanatory Statement is intended to provide Shareholders with information to assess the Resolutions contained in the accompanying Notice of Meeting for the AGM.

1. Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2016, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report.

No resolution is required on this item of business. Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the accounts and on the management of the Company. Shareholders will also have a reasonable opportunity to ask a representative of Ernst & Young, the Company's auditor, questions relevant to:

- a. the conduct of the audit;

- b. the preparation and content of the independent audit report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 – Adoption of the Remuneration Report

The Company is required to put a resolution to its Shareholders that the Remuneration Report as disclosed in the Company's Annual Report be adopted. The Remuneration Report is set out on pages 27 to 44 in the Company's Annual Report which is available on the Company's website (www.nineentertainment.com.au). It provides information relating to the remuneration policy and practices of the Company and the structure and details of remuneration payable to the Directors and certain senior executives of the Company.

The vote on Resolution 1 is advisory only and does not bind the Company. However, the Board will take account of the outcome of the vote on this resolution in reviewing the remuneration practices and policies of the Company.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chairman to vote against Resolution 1 or to abstain from voting.

The Board, acknowledging that each Director has an interest in his or her remuneration as disclosed in the Remuneration Report, recommends that Shareholders vote in favour of Resolution 1.

Voting exclusion statement:

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- a. it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- b. it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- a. the appointment specifies the way the proxy is to vote on Resolution 1; or
- b. the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Election of Ms Elizabeth Gaines as a director

Pursuant to Clause 26.6 of the Company's Constitution, Ms Elizabeth Gaines, who was appointed a Director of the Company by the Board on 1 March 2016, is required to seek election as a Director.

Ms Gaines is an independent, non-executive director and the Chair of the Audit and Risk Committee. Ms Gaines was previously the CEO of ASX listed Helloworld, a travel distribution business operating in the bricks and mortar and online retail sector. Ms Gaines' executive career included extensive experience in financial services, construction, infrastructure and media in both the UK and Australia. Ms Gaines is currently a non-executive director of Fortescue Metals Group Limited, NextDC Limited and ImpediMed Limited and in August 2016, Ms Gaines was appointed as a non-executive director of 7-Eleven Retail Stores Pty Ltd. Ms Gaines is also a Commissioner of Tourism Western Australia.

Ms Gaines is a member of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and Chief Executive Women. She holds a Bachelor of Commerce and a Masters of Applied Finance.

The Board (Ms Gaines abstaining) recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Election of Ms Catherine West as a director

Pursuant to Clause 26.6 of the Company's Constitution, Ms Catherine West, who was appointed a Director of the Company by the Board on 9 May 2016, is required to seek election as a Director.

Ms West is an independent, non-executive director and a member of the Audit and Risk Committee and the Nomination and Remuneration Committee. Ms West has more than 20 years' business and legal affairs experience in the media industry, both in Australia and the UK. Her most recent executive role was Director of Legal – Content Commercial and Joint Ventures for Sky Plc in the UK. In this role, Ms West was responsible for all of Sky's content relationships and distribution and commercial activities. Ms West has recently returned to Australia from the UK. She is a graduate member of the Australian Institute of Company Directors and a Committee Member of the Sydney Breast Cancer Foundation at the Chris O'Brien Lifehouse.

Ms West holds a Bachelor of Laws (Hons) and Bachelor of Economics from the University of Sydney.

The Board (Ms West abstaining) recommends that Shareholders vote in favour of Resolution 3.

Explanatory Statement continued

5. Resolution 4 – Re-election of Mr David Gyngell as a director

Pursuant to Clause 26.10 of the Company's Constitution, Mr David Gyngell retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Gyngell was the Company's Chief Executive Officer from November 2010 until November 2015, having previously served as the Chief Executive Officer of Nine Network from September 2007. As a result of this, Mr Gyngell is not considered to be an independent director. Mr Gyngell became a Non-Executive Director of the company in November 2015. He has over 18 years of experience at the Company and over 25 years' overall media sector experience. Previously, Mr Gyngell was Chief Executive Officer of Granada Television and also Director of International Management Group and Transworld Media International. He has also worked as Executive Director, Group Marketing and Communications for Publishing & Broadcasting Limited.

The Board (Mr Gyngell abstaining) recommends that Shareholders vote in favour of Resolution 4.

6. Resolution 5 – Grant of 2016 performance rights to CEO

Mr Marks became the Company's Chief Executive Officer in November 2015. At the time he was appointed to that role, the Company announced that Mr Marks would be eligible to participate in the Company's Long Term Incentive Plan, with an initial allocation of \$1,400,000 subject to shareholder approval at the 2016 Annual General Meeting. Based on the VWAP of \$1.545 at the time of Mr Marks' appointment, this equates to 906,149 Performance Rights.

ASX Listing Rule 10.14 requires shareholder approval for a director to be issued securities under an employee incentive plan such as the Company's Long Term Incentive Plan. The Board intends that no new shares will be issued to Mr Marks on vesting of the Performance Rights (as any entitlement to shares will be satisfied by the acquisition of shares on market). Mr Marks is the only director who is, or has ever been, entitled to participate in the Long Term Incentive Plan.

Details of the Company's Long Term Incentive Plan are contained in pages 33 to 35 of the Annual Report. Key elements of the plan are summarised below:

What does a Performance Right provide?	<p>If the conditions to vesting are satisfied, each Performance Right will, at the Company's election, convert to a Share on a one-for-one basis or entitle Mr Marks to receive cash to the value of a Share. No amount is payable by Mr Marks for the issue of the Performance Rights or on conversion of the Performance Rights.</p> <p>Mr Marks does not receive any voting or dividend entitlements before the Performance Rights have vested.</p>
Vesting Condition 1 – Total Shareholder Return	<p>50% of the Performance Rights are subject to the Company's Total Shareholder Return (TSR) performance against a comparator group over the 3 year period to 1 July 2018. The comparator group is a subset of ASX 200 companies (being companies in the Information Technology, Consumer Discretionary, Consumer Staples and telecommunication services sectors).</p> <p>If the Company's TSR performance is at the 50th percentile, 50% of these Performance Rights (i.e. 226,537 Performance Rights) will vest. If TSR exceeds the stretch target of the 75th percentile, 100% of these Performance Rights will vest (i.e. 453,074 Performance Rights). Between those two targets, Performance Rights will vest on a straight line basis.</p>
Vesting Condition 2 – Earnings Per Share Growth	<p>The other 50% of the Performance Rights are subject to the achievement of fully diluted earnings per share growth (EPSG) targets over the 3 year period to 1 July 2018. The targets for the 3 year period have been set by the Board.</p> <p>As the target for EPSG is commercially sensitive, the Company will disclose the performance targets when and if Performance Rights vest. For the year to 30 June 2016, the Company is behind the EPSG target, although this may be made up in the next two financial years.</p> <p>If EPSG over the 3 year period meets the threshold target, 33% of these Performance Rights (i.e. 151,025 Performance Rights) will vest. If EPSG exceeds the stretch target, 100% of these Performance Rights (i.e. 453,075 Performance Rights) will vest. Between those two targets, Performance Rights will vest on a straight line basis.</p>

Cessation of employment (Employment Conditions)	<p>If Mr Marks is not employed by the Company on 1 July 2018 due to:</p> <ul style="list-style-type: none"> • being summarily dismissed; or • terminating his employment agreement otherwise than in accordance with the terms of that agreement, <p>any unvested Performance Rights held at the date of termination will lapse.</p> <p>If Mr Marks has ceased to be employed by the Company in any other circumstances (e.g. redundancy, retirement, ill health, termination as permitted under his employment agreement), Mr Marks will retain a pro-rated number of unvested Performance Rights, which will be tested after 1 July 2018, to determine the number of such rights which have vested.</p>
Testing	<p>Performance against each of the TSR and EPSG vesting conditions will be determined independently.</p> <p>Any Performance Rights which do not vest at the end of the performance period will lapse.</p>
Restrictions	<p>Mr Marks is not permitted to transfer any Performance Rights.</p> <p>Trading in any shares issued to Mr Marks on vesting of the Performance Rights will be subject to the Company's Securities Trading Policy.</p>
Maximum number of shares	<p>The maximum number of shares which Mr Marks may receive, if vesting conditions are met, will be 906,149 (subject to any adjustments made under the Long Term Incentive Plan).</p>
Grant of rights	<p>If shareholders approve this resolution, the rights will be granted to Mr Marks shortly after the meeting, and within 12 months after the date of this meeting.</p>

No person referred to in ASX Listing Rule 10.14 has received securities under the Long term Incentive Plan. There are no loans made in connection with the acquisition of securities under the Long Term Incentive Plan.

The Board (Mr Marks abstaining) recommends that Shareholders vote in favour of Resolution 5.

Voting exclusion statement:

The Company will disregard any votes cast on Resolution 5:

- a. by or on behalf of Mr Marks and any associate of Mr Marks; or
- b. by a Restricted Voter as a proxy unless the vote is cast as a proxy for a person who is entitled to vote on the resolution, and:
 - the appointment specifies the way the proxy is to vote on Resolution 5; or
 - the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy.

7. Resolution 6 – Grant of 2017 performance rights to CEO

The Board has determined, subject to shareholder approval, to offer Mr Marks a further allocation of Performance Rights in respect of the period from 1 July 2016 to 30 June 2019, to the value of \$1,400,000, on the terms of the Company's Long Term Incentive Plan. Based on the 10 day VWAP around the release of the Company's financial results for the year to 30 June 2016 of \$1.02, Mr Marks will be entitled to 1,372,549 Performance Rights.

ASX Listing Rule 10.14 requires shareholder approval for a director to be issued securities under an employee incentive plan such as the Company's Long Term Incentive Plan. The Board intends that no new shares will be issued to Mr Marks on vesting of the Performance Rights (as any entitlement to shares will be satisfied by the acquisition of shares on market). Mr Marks is the only director who is, or has ever been, entitled to participate in the Long Term Incentive Plan.

The information provided in relation to Resolution 5 about:

- the Long Term Incentive Plan; and
- the conditions to vesting of Performance Rights;

will also apply to the 1,372,549 Performance Rights for which shareholder approval is sought in this Resolution 6, although the testing period will be from 1 July 2016 to 30 June 2019.

The maximum number of Shares which Mr Marks may become entitled to receive if Resolution 6 is approved is 1,372,549 (subject to any adjustments made under the Long Term Incentive Plan).

No person referred to in ASX Listing Rule 10.14 has received securities under the Long term Incentive Plan. There are no loans made in connection with the acquisition of securities under the Long Term Incentive Plan.

Explanatory Statement continued

7. Resolution 6 – Grant of 2017 performance rights to CEO (continued)

Subject to receiving shareholder approval, the Performance Rights will be issued to Mr Marks shortly after the meeting and within 12 months from the date of the approval.

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

Voting exclusion statement:

The Company will disregard any votes cast on Resolution 6:

- a. by or on behalf of Mr Marks and any associate of Mr Marks; or
- b. by a Restricted Voter as a proxy unless the vote is cast as a proxy for a person who is entitled to vote on the resolution, and:
 - the appointment specifies the way the proxy is to vote on Resolution 6; or
 - the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy.

8. Glossary

Annual Report means the annual report of the Company for the year ended 30 June 2016.

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2016.

Board means the Directors.

Chairman means the individual appointed under the Constitution to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act.

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

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice of Meeting.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Shareholder means a member of the Company.

VWAP means volume weighted average price