

Mr Stuart Roberts
Adviser, Listings Compliance
Australian Stock Exchange
20 Bridge Street, Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

28 November 2023

Dear Mr Roberts,

ARN Media Limited ('A1N'): Query in relation to compliance with Listing Rules 3.1 and 15.7

A1N refers to your letter dated 24 November 2023 (**ASX Letter**) and has the following answers to the questions raised in that letter (using your numbering). Terms defined in ASX Letter have the same meaning in this letter:

1. Yes. A draft of the Announcement was provided on behalf of A1N to Sam Buckingham-Jones at the Australian Financial Review.
2.
 - 2.1 Refer to attached files, being emails sent at 9:58pm on 21 November 2023 and 5:38am on 22 November 2023.
 - 2.2 There was the following communication with the media about the Announcement:
 - (a) Around 7:41pm on Tuesday 21 November 2023, A1N became aware that the Australian Financial Review was intending to publish a story regarding the extension of contracts that is the subject of the Announcement (**Extension**);
 - (b) At 9:58pm on 21 November 2023, Helen McCombie of Citadel-MAGNUS, A1N's external corporate communications advisor, provided a draft version of the ASX Announcement to Sam Buckingham-Jones at the Australian Financial Review; and
 - (c) At 5:38am on 22 November 2023, Helen McCombie provided a further draft (in the same form as that lodged by A1N with ASX shortly afterwards) to Sam Buckingham-Jones (after the contract for the Extension had been signed at around 5:15am).
 - 2.3 No. A1N recognises this disclosure was not consistent with Listing Rule 15.7. Further explanation of the circumstances is described in responses to 2.2 and 4.
3. Not applicable.
4. A1N has a "Market Disclosure Policy", available on our website at <https://arn.com.au/wp-content/uploads/2023/05/Market-Disclosure-Policy-ARN-Media-Ltd.pdf>. A1N takes its disclosure obligations seriously, is fully conversant with the operation of the ASX Listing Rules and considers itself to have an excellent record of compliance with its disclosure obligations. A1N regrets the error the subject of this letter. In relation to this error it notes the following:

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- A1N lodged its Announcement with ASX at 6:57am on 22 November 2023, and it was put on the MAP by ASX at 8:17am on the same day. At no time was the market trading on an uninformed basis;
 - A1N's detailed planning for the signing of the contract extension and subsequent Announcement and publicity provided for ASX to receive the Announcement prior to the Extension being communicated to any other third parties, including journalists. A1N included its external investor communications advisor in developing this planning and senior members of its management team who are familiar with its ASX Disclosure Policy and who are involved in ensuring compliance with it;
 - the Extension was finalised in principle (but not signed) around 6:30pm on Tuesday 21 November 2023 and the contract signed at approximately 5:15am on Wednesday 22 November 2023. As noted above, A1N was already aware that the news of the Extension was going to leak. Rather than have inaccurate reporting about the Extension in the hours prior to ASX updating the MAP with the Announcement, the draft ASX announcement was provided in the manner described in paragraph 2 above to ensure accurate reporting. However, as noted this meant that in the urgency of the moment the plan was not executed correctly and LR 15.7 was not complied with;
 - a breach by A1N such as this, nor anything like it, has not occurred before.
5. We have discussed and reflected on this breach internally with team members involved in the planning and execution of the Extension Announcement and the publicising of it. We are confident that this error, which we consider to be a one-off, will not be repeated. Nonetheless we will also review the Market Disclosure Policy to make express reference to media briefings.
6. Confirmed. This response was approved by A1N's Disclosure Officers in accordance with our Market Disclosure Policy.

Yours sincerely



Jeremy Child
Chief Legal Officer & Company Secretary
ARN Media Limited



24 November 2023

Reference: 85258

Mr Jeremy Child
Chief Legal Officer and Company Secretary
ARN Media Limited

By Email: JeremyChild@arn.com.au

Dear Mr Child

ARN Media Limited ('A1N'): Query in relation to compliance with Listing Rules 3.1 and 15.7

ASX refers to the following:

- A. An article appearing in the Australian Financial Review ('AFR') titled "Kyle & Jackie O's new 10-year deal nets them millions in shares" published online at 6:09am AEDT on 22 November 2023 (the 'Article'), which included the following statements:

"Kyle Sandilands and Jackie Henderson have officially signed a 10-year extension to their contract with ASX-listed media company ARN Media, in a deal that gives them a percentage of extra revenue and millions of shares as a bonus. The new deal lasts until the end of December 2034, and includes the show being broadcast in Melbourne on KIIS 101.1 next year."

"ARN also announced it has extended the contract of its top-rating GOLD 1043 Melbourne host, Christian O'Connell, for five years, taking his term until December 31, 2029."

"All three contracts include a base salary, a percentage share of revenue above what is now earned – known as 'incremental growth', and sign-on bonuses mainly made up of shares in ARN. Those sign-on bonuses do not vest until the end of the respective contracts. The bonuses were worth a combined \$7 million for all three hosts, sources said, equivalent to about 7.5 million shares as of yesterday's share price."

"In an ASX update to be filed on Wednesday, sources said ARN would spend an extra \$2 million a year over the next two to three years to promote the launch of the Kyle & Jackie O Show in Melbourne."

- B. A1N's announcement titled "ARN Extends Talent Contracts for Sydney and Melbourne's No. 1 breakfast shows" released on the ASX Market Announcements Platform ('MAP') at 8:17am AEDT on 22 November 2023 (the 'Announcement'), in which A1N disclosed the following:

"KIIS 1065's Kyle and Jackie O have been secured until 31 December 2034, another ten years on top of their existing arrangements. In addition, the Kyle and Jackie O Show will also broadcast live into Melbourne on KIIS 101.1 commencing in 2024 on a date to be confirmed."

"GOLD 1043's Christian O'Connell has been secured until 31 December 2029, another five years on top of his existing arrangement."

"\$7 million worth of shares in ARN Media (equivalent to approximately 7.5m shares at yesterday's closing share price), will be issued to Kyle Sandilands, Jackie Henderson and Christian O'Connell and will vest at the end of the contract term."

"Additional marketing investment of around \$2 million per annum is anticipated over the next 2-3 years to launch the Kyle & Jackie O Show in the Melbourne market."

C. Listing Rule 3.1 which states:

“Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information.”

D. Listing Rule 15.7 which states:

“An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgment that ASX has released information to the market.”

E. The note to Listing Rule 15.7, which states:

“Note: This rule prohibits an entity giving information to the media even on an embargoed basis.”

As the Article has appeared in the AFR prior to the Announcement being released on MAP, it appears that A1N may have breached Listing Rules 3.1 and/or 15.7.

Request for information

Having regard to the above, ASX asks A1N to respond separately to each of the following questions and requests for information:

1. Did A1N, or anyone representing A1N, provide a statement or information to the media concerning the information in the Article?
2. If the answer to question 1 is “yes”:
 - 2.1 please provide a copy of that correspondence (not for release to the market);
 - 2.2 explain when (time and date), and by whom, the information was first provided to the media; and
 - 2.3 does A1N consider this to be compliant with Listing Rule 15.7? If so, please explain the basis for that view.
3. If the answer to question 1 is “no”, is there any other explanation A1N may have as to how the information appeared in the Article?
4. What arrangements does A1N have in place to ensure compliance with Listing Rule 15.7?
5. In light of the Article, what additional steps does A1N intend to take to ensure compliance with Listing Rule 15.7?
6. Please confirm that A1N’s responses to the above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of A1N with delegated authority from the board to respond to ASX on disclosure matters.

ASX expects A1N to make reasonable enquiries to put itself in a position to answer the questions above.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT on Tuesday, 28 November 2023**. Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Stuart Roberts
Adviser, Listings Compliance