

REMUNERATION REPORT

HIGHLIGHTS FOR THE YEAR

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present our 2016 Remuneration Report.

During 2016, we achieved a number of key strategic initiatives – the demerger of NZME, the sale of Australian Regional Media (ARM), and acquisitions of Conversant Media and the remaining 50% of Adshel. The Board is pleased with the significant progress management has made to grow and transform APN from a traditional media company, to an agile media company operating in the high-growth sectors of radio, outdoor and digital.

Set out below is a summary of the remuneration outcomes for 2016 and the 2017 executive remuneration framework.

Remuneration outcomes for 2016

APN's 2016 financial performance from continuing operations was robust; however, results across the divisions were mixed. An above market performance by Adshel was partially offset by the underperformance of Australian Radio Network (ARN) in the second half of the year. Overall Group performance, measured by earnings before interest, tax, depreciation and amortisation (EBITDA), and before exceptional items of \$90.9 million, was 1.1% behind 2016 target. At the divisional level, Adshel finished 21.2% ahead of 2016 target, while ARN finished 4.1% behind target and ARM, prior to its disposal, finished more than 5% below target. The CEO & Managing Director received 88% of his 2016 Total Incentive Plan (TIP) target. Other executives' 2016 TIP outcomes were, on average, 68% of target.

During the year, the CEO & Managing Director received a one-off, \$200,000 retention incentive relating to his previous role as the CEO of ARN.

In recognition of the Chief Financial Officer's exceptional contribution to the Company's 2016 transformational changes to restructure the business (demerger of NZME, sale of ARM, acquisition of remaining 50% of Adshel and equity raisings), the Board determined to increase the Chief Financial Officer's 2016 TIP award by \$150,000.

The Chief Executive Officer of ARM received a \$225,000 incentive for his contribution in finalising the sale of ARM.

The Chief Financial Officer had a change of role involving an increase in responsibility and was awarded a fixed remuneration increase of 17%. There were no other fixed remuneration increases awarded to executives in the 2016 year.

A portion (22%) of the 2014 long-term incentive (LTI) grant vested based on APN's Total Shareholder Return (TSR) to 31 December 2016. APN's TSR for the three years was 24%; relative to a select group of companies in the Consumer Discretionary, Financials and Industrials sectors, APN was positioned at the 69th percentile. Earnings Per Share (EPS) growth was 19% below target due to strategic activity over the 3 years. As a result, 88% of the TSR portion and 0% of the EPS portion of the 2014 LTI grant vested.

Non-executive Director fees for the Chairman increased by \$25,000 in 2016, effectively replacing APN's share of fees he received as the Chairman of Adshel prior to APN's acquisition of the remaining 50% of Adshel in October 2016. There was no additional cost to APN as a result of this change. Total Board fees remain well within the fee pool cap, and the Company is not seeking an increase to the Non-executive Director fee pool at the 2017 Annual General Meeting.

Changes to the executive remuneration framework for 2017

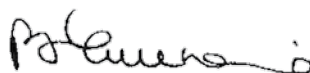
Following the TIP's introduction in 2016, the Board has again elected to continue with the TIP structure for 2017. The Board reviewed the appropriateness of the TIP structure compared to a more usual STI/LTI structure. Based on feedback and our own assessment, we have concluded that the TIP scheme is an effective incentive mechanism.

However, the financial metrics have expanded to reflect the shape of APN's business, which has changed from transitional to a business with clearly defined core businesses (essentially, radio and outdoor). Given the nature of our ongoing business and our desire to see growth in earnings per share and return on invested capital, we have incorporated both measures in the TIP's financial metrics.

In addition, the target TIP opportunity for Divisional Chief Executive Officers will be increased from 50% of fixed remuneration to 60%.

Details outlining the changes to the 2017 TIP are set out in section (b) of the Remuneration Report.

The Board believes we have achieved our desired goal of an incentive plan that strongly aligns our management team with the interests of our shareholders.



Peter Cullinane

Chair of the Remuneration Committee

OUR DETAILED REMUNERATION REPORT

This Remuneration Report for the year ended 31 December 2016 outlines key aspects of our remuneration policy and framework, and has been audited in accordance with the *Corporations Act 2001*.

Our remuneration report contains the following sections:

- (a) Who this report covers
- (b) Executive remuneration policy and framework, and the role of the Remuneration Committee
- (c) Actual remuneration for 2016
- (d) How 2016 reward was linked to performance
- (e) Total remuneration for Executive KMP
- (f) Contractual arrangements with Executive KMP
- (g) Non-executive Director arrangements
- (h) Share-based remuneration
- (i) Director and Executive KMP shareholdings
- (j) Other statutory disclosures.

(A) WHO THIS REPORT COVERS

This report covers Key Management Personnel comprising Executive Key Management Personnel (Executive KMP) and Non-executive Directors:

Name	Role
Executive KMP	
Ciaran Davis	CEO and Managing Director ¹
Jeff Howard	Chief Financial Officer
Tony Kendall	Chief Executive Officer, Australian Radio Network
Yvette Lamont	Group General Counsel and Company Secretary
Rob Atkinson	Chief Executive Officer, Adshel (Executive KMP from 25 October 2016)
Former Executive KMP	
Neil Monaghan	Chief Executive Officer, Australian Regional Media (until 28 December 2016)
Michael Boggs	Chief Executive Officer, NZME (from 8 April 2016 to 29 June 2016)
Jane Hastings	Chief Executive Officer, NZME (until 8 April 2016)
Non-executive Directors	
Peter Cosgrove	Non-executive Chairman
Paul Connolly	Non-executive Director
Peter Cullinane	Non-executive Director
Christine Holman	Non-executive Director
Anne Templeman-Jones	Non-executive Director
Former Non-executive Directors	
Sir John Anderson	Non-executive Director (until 30 June 2016)
Ted Harris AC	Non-executive Deputy Chairman (until 11 May 2016) ²

¹ Mr Davis was appointed to the Board of APN News & Media Limited on 24 August 2016.

² Mr Harris was given the title of Director Emeritus upon retirement.

On 9 March 2017, APN announced a number of changes to the above KMPs. From the beginning of April 2017, Tony Kendall will take on a newly created role as Chief Revenue Officer. Rob Atkinson will replace Tony Kendall as CEO of ARN, while Mike Tyquin, Adshel's Chief Commercial Officer, will become CEO of Adshel. Further, Emma Hogan was appointed to the newly created role of Chief People Officer on 6 February 2017.

**REMUNERATION
REPORT**
(B) EXECUTIVE REMUNERATION POLICY AND FRAMEWORK, AND THE ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee determines the remuneration policy and structure with the primary goal of attracting and retaining individuals capable of managing the Group's operations in line with shareholder expectations. The executive packages are structured to:

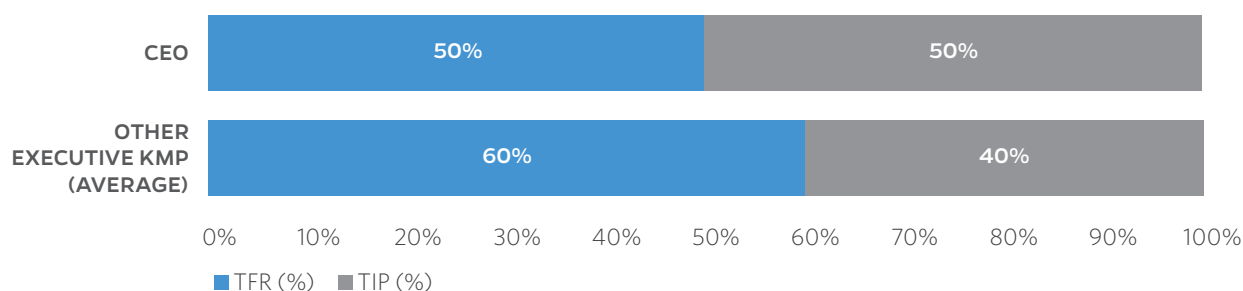
- Be competitive in the market;
- Drive Executive KMP engagement;
- Provide an appropriate balance between short and long-term performance focus;
- Reward the achievement of financial and strategic objectives;
- Align executive reward with Company performance; and
- Create value for shareholders.

These principles were reflected in the remuneration framework for 2016, which is outlined below:

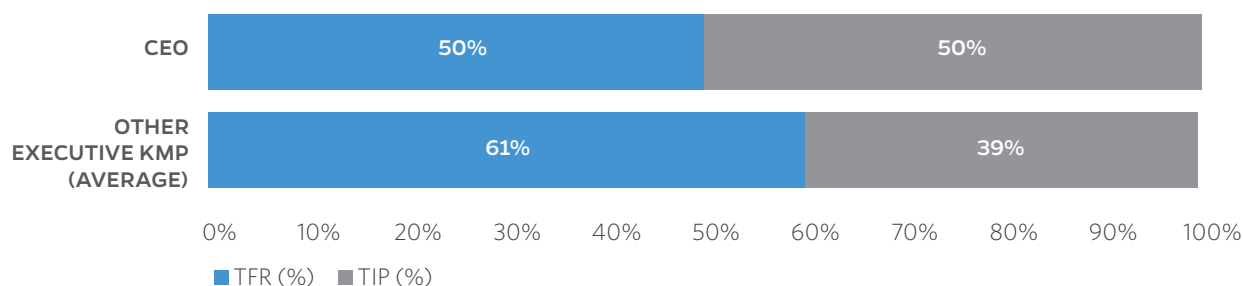
(i) Total fixed remuneration (TFR)

TFR comprised base salary, superannuation contributions and non-monetary benefits. The purpose of TFR is to recognise the capability and experience of the individual, and the scope and responsibility of the role.

The target remuneration mix for the CEO & Managing Director (CEO) and the average across the other Executive KMP in 2016 is illustrated below:



The target remuneration mix for the CEO and the average across the other Executive KMP for 2017 is illustrated below:


Retirement benefits

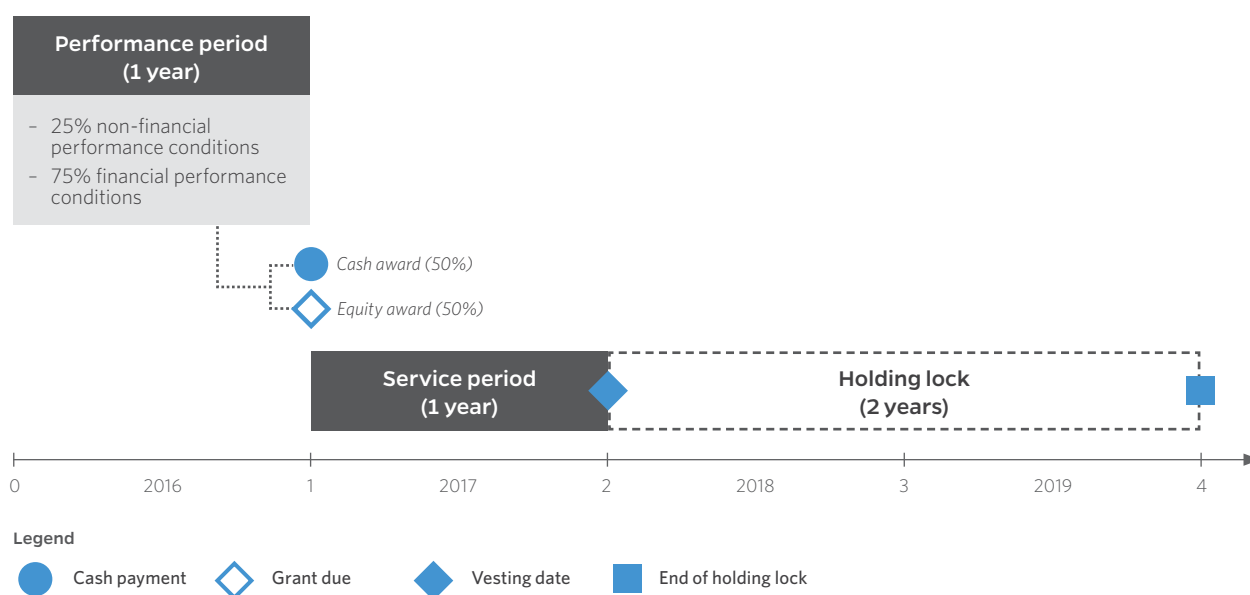
Retirement benefits are considered as part of TFR and are delivered to Executive KMP in the form of statutory superannuation contributions to a number of different funds. All contributions made on behalf of executives are based on a percentage of fixed salary. Ms Lamont is a member of a defined benefit superannuation plan (the plan provides defined lump sum or annuity benefits based on years of service and final average salary).

Other remuneration related costs

The Company sometimes incurs other remuneration related costs in respect of certain executives which are not regarded as part of the executive's TFR. Typically, other payments are ancillary to the executive's employment such as rental assistance or family travel in circumstances where the Company requires the executive to relocate. These costs include fringe benefits tax if applicable.

(ii) Total Incentive Plan (TIP) Overview

The TIP provides eligible participants with the opportunity to receive cash and equity based on a one-year performance period following an assessment against specified financial and non-financial performance conditions. The following diagram illustrates the operation of the TIP for 2016. The structure for 2017 is the same but for changes to financial performance conditions and the relevant periods being 2017 to 2020.



(iii) 2016 TIP

The following table outlines the key terms of the 2016 TIP:

Feature	Description	
Eligibility	At the absolute discretion of the Board, the CEO and other Executive KMP were eligible to participate in the TIP.	
Award opportunity	Eligible participants had a target award opportunity, which varied between 50% and 100% of fixed remuneration, depending on the participant's role and responsibilities. The maximum incentive was 137.5% of target incentive.	
Performance period	The award was dependent on performance over a one-year performance period (the 2016 financial year). There was no opportunity for retesting.	
Performance measures	<p>Financial performance conditions (75%)</p> <p>For the CEO and other Group Executive KMP, performance was measured against Group EBITDA.</p> <p>For divisional Executive KMP, performance was measured against their relevant divisional EBITDA (50%) and Group EBITDA (25%).</p>	<p>Non-financial performance conditions (25%)</p> <p>Performance was measured against specific metrics as determined for each participant at the commencement of the performance period.</p> <p>These metrics may have included; Group measures/divisional measures (e.g. business transformation or market share), and individual measures (e.g. leadership and development).</p>
	The higher weighting of financial to non-financial metrics emphasises the importance the Board places on APN's financial performance.	

**REMUNERATION
REPORT**

Feature	Description																																
Incentive payout schedule	<table border="1"> <thead> <tr> <th colspan="2">Financial metrics</th> <th colspan="2">Non-financial metrics</th> </tr> </thead> <tbody> <tr> <td>EBITDA</td> <td>Percentage of target opportunity awarded</td> <td>Performance against target</td> <td>Percentage of target opportunity awarded</td> </tr> <tr> <td><95% of budget</td> <td>0%</td> <td>Below threshold</td> <td>0%</td> </tr> <tr> <td>95% of budget</td> <td>25%</td> <td>Threshold</td> <td>25%</td> </tr> <tr> <td>>95% to <100% of budget</td> <td>Pro-rata vesting between 25% and 100%</td> <td colspan="2">The percentage of target opportunity that will be awarded between threshold and target is at the discretion of the Board.</td> </tr> <tr> <td>100% of budget</td> <td>100%</td> <td>Target</td> <td>100%</td> </tr> <tr> <td>>100% to <110% budget</td> <td>Pro-rata vesting between 100% and 150%</td> <td colspan="2">The Board has discretion to increase awards above 100% in exceptional circumstances (i.e. significant performance above plan).</td> </tr> <tr> <td>At or above 110% of budget</td> <td>150% vesting</td> <td colspan="2"></td> </tr> </tbody> </table>	Financial metrics		Non-financial metrics		EBITDA	Percentage of target opportunity awarded	Performance against target	Percentage of target opportunity awarded	<95% of budget	0%	Below threshold	0%	95% of budget	25%	Threshold	25%	>95% to <100% of budget	Pro-rata vesting between 25% and 100%	The percentage of target opportunity that will be awarded between threshold and target is at the discretion of the Board.		100% of budget	100%	Target	100%	>100% to <110% budget	Pro-rata vesting between 100% and 150%	The Board has discretion to increase awards above 100% in exceptional circumstances (i.e. significant performance above plan).		At or above 110% of budget	150% vesting		
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Form of award	<p>Awards under the TIP are granted to participants following the assessment of performance. To the extent that performance measures were met:</p> <ul style="list-style-type: none"> - 50% of awards were made in cash following the assessment of performance; and - 50% of awards were granted in rights to acquire fully paid ordinary shares in the Company for nil consideration (Rights). <p>Subject to the satisfaction of a one-year service period, vested Rights will convert to fully paid ordinary shares. Vested Rights will automatically convert into shares without the requirement for the participant to exercise their Rights.</p> <p>Participants will receive an additional allocation of shares at vesting equal to the dividends paid on vested Rights over the Service Period.</p> <p>Vested shares will be subject to a further two year holding lock.</p>																																
Equity allocation methodology	Equity is granted based on the face value of the Rights.																																
Clawback	The Company may reduce unvested equity awards in certain circumstances such as gross misconduct, material misstatement or fraud. The Board may also reduce unvested awards to recover amounts where performance that led to payments being awarded is later determined to have been incorrectly measured or not sustained.																																
Treatment of awards on cessation of employment	Awards are forfeited for 'bad' leavers (e.g. resignation or termination for cause), while 'good' leavers (e.g. cessation of employment due to redundancy, total disablement or death) receive pro-rated awards based on the extent to which performance and service conditions are met.																																
Treatment of awards on change of control	Participants receive pro-rated awards based on the extent to which performance and service conditions are met.																																

(iv) 2017 TIP

In 2017, the financial performance measures and weightings will be different than in 2016, in line with our 2017 strategy. Financial metrics for Group TIP participants will be Group Earnings Per Share (EPS), Group Return On Invested Capital (ROIC) and Group earnings before interest, tax, depreciation, and amortisation (EBITDA). For divisional TIP participants, the financial metrics will be Group ROIC, Group EBITDA and divisional EBITDA. The non-financial KPI component (25% of the total TIP opportunity) will remain unchanged.

2017 financial performance measures and weightings	Measure	Group roles	Divisional roles	
	EPS	25%	N/A	
	Group ROIC	25%	12.5%	
	Group EBITDA	25%	12.5%	
	Divisional EBITDA	N/A	50%	
New performance measure definitions	EPS	ROIC		
	<p>EPS is calculated using base EPS (on a pre-acquisition related amortisation, post-tax basis, adjusted for any non-recurring or non-trading items as determined by the Board).</p> <p>EPS has been chosen as it focuses participants on earnings growth, recognising the expectation for enhancing earnings subsequent to APN's business transformation.</p> <p>The EPS vesting schedule is outlined below.</p>	<p>ROIC is calculated using base earnings (on a pre-interest and pre-tax basis (i.e. EBIT), adjusted for any non-recurring or non-trading items as determined by the Board), as a percentage of invested capital. Invested capital is calculated from the balance sheet as total parent entity interest, plus net interest bearing liabilities adjusted for any non-recurring or non-trading items as determined by the Board.</p> <p>ROIC is an effective measure of returns generated as a result of APN's significant investment in transforming the business and integration of recent transactions.</p> <p>The ROIC vesting schedule is outlined below.</p>		
2017 incentive payout schedule	EBITDA and EPS		ROIC	
	EBITDA / EPS performance	Percentage of target opportunity awarded	ROIC performance	Percentage of target opportunity awarded
	<95% of budget	0%	Below threshold ⁽¹⁾	0%
	95% of budget	25%	At threshold	25%
	>95% to <100% of budget	Pro-rata between 25% and 100%	Between threshold and budget	Pro-rata between 25% and 100%
	100% of budget	100%	At budget	100%
	>100% to <110% budget	Pro-rata between 100% and 150%	Between budget and stretch	Pro-rata between 100% and 150%
	At or above 110% of budget	150%	At or above stretch	150%
	<p>The financial performance award schedule was designed to provide only limited awards where performance is below budget, with sustained upside for performance above budget, up to a maximum cap of 150%.</p> <p>Similarly, the non-financial award schedule was designed to limit awards below target. Upside will only be provided in exceptional circumstances at the absolute discretion of the Board.</p>			

(1) Threshold will be determined with reference to prior year ROIC

(v) Other remuneration arrangements, Board discretion, and clawback of remuneration

Other remuneration arrangements will be entered into on an 'as needed' basis as determined by the Board. These may include retention and transaction/project completion incentives.

The Board retains the ultimate discretion regarding remuneration outcomes. The Board may make, or cancel (clawback) awards where it sees fit to align with remuneration policy and/or Company strategic outcomes.

**REMUNERATION
REPORT****(C) ACTUAL REMUNERATION FOR 2016**

The following section sets out the value of remuneration which has been received by Executive KMP for the 2016 and 2015 performance years.

In addition to payments awarded under the 2016 TIP and 2014 LTI, the following incentive payments were received by Executive KMP during 2016:

- The CEO received a one-off, \$200,000 retention incentive relating to his previous role as the CEO of ARN;
- In recognition of the CFO's exceptional contribution to the Company's 2016 transformational changes to restructure the business (demerger of NZME, sale of ARM, acquisitions of Conversant Media and the remaining 50% of Adshel and equity raisings), the Board determined to increase the CFO's 2016 TIP award by \$150,000. Consistent with the rules of the TIP, half of the top-up payment was delivered in cash, and half will be delivered in equity. The equity component of the payment retains the same service and holding periods as a regular TIP award; and
- The CEO of ARM received a \$225,000 incentive for his contribution in finalising the sale of ARM.

The figures in the following table are different to those shown in the accounting table in section (e) of this report because that table includes the apportioned accounting value for all vested TIP grants and unvested LTI grants. Unvested LTI grants remain subject to satisfaction of performance and service conditions and may not ultimately vest. It also includes accrued long service leave and non-monetary benefits provided in addition to their TFR.

The 2015 STI values represent the cash STI awarded in respect of 2015 performance. The 2016 TIP values represent the cash portion (50%) of the total TIP awarded for 2016. Vested LTI is the value of the 2014 LTI grant which vested at the end of 2016. The 2014 LTI scheme requires the Company to deliver shares to the recipients on a pre-NZME demerger valuation basis, such that the recipients are not economically disadvantaged. Consequently, the Board has elected to satisfy the LTI incentive through a cash payment to Executive KMP, on the understanding that recipients use the after tax proceeds to acquire shares in the Company. Vested LTI values reflect actual cash paid and were calculated by multiplying the number of vested Rights by the aggregate share price of APN and NZME on 6 March 2017.

Actual Remuneration

Executive KMP	TFR ¹ (\$)	2015 STI (\$)	2016 TIP (\$)	Vested LTI (\$)	Other (\$)	Total (\$)
Ciaran Davis ²						
2016	1,200,000	n/a	528,955	73,277	200,000	2,002,232
2015	896,004	440,000	n/a	-	-	1,336,004
Jeff Howard ³						
2016	700,000	n/a	352,701	73,277	-	1,125,978
2015	600,000	358,500	n/a	-	-	958,500
Tony Kendall						
2016	597,308	n/a	79,595	-	-	676,903
2015	51,119	-	n/a	-	-	51,119
Yvette Lamont ⁴						
2016	480,000	n/a	132,239	36,638	-	648,877
2015	480,000	239,000	n/a	-	-	719,000
Neil Monaghan ⁵ (until 28 December 2016)						
2016	466,633	n/a	46,818	36,638	225,000	775,089
2015	470,500	70,311	n/a	-	-	540,811
Rob Atkinson ⁶ (from 25 October 2016)						
2016	99,252	n/a	n/a	n/a	97,013	196,265
Michael Boggs (from 8 April 2016 to 29 June 2016)						
2016	173,851	n/a	-	n/a	-	173,851
Jane Hastings (until 8 April 2016)						
2016	407,804	n/a	-	-	-	407,804
2015	731,597	320,632	n/a	-	-	1,052,229
Michael Miller (until 30 September 2015)						
2015	916,604	-	n/a	-	-	916,604
Total						
2016	4,124,848	n/a	1,140,308	219,830	522,013	6,006,999
2015	4,145,824	1,428,443	n/a	-	-	5,574,267

(1) TFR comprises base salary and superannuation and non-monetary benefits.

(2) Mr Davis received a retention incentive payment in 2016 of \$200,000 relating to his previous role as CEO of ARN. Mr Davis became the Group CEO effective 20 August 2015.

(3) Mr Howard received an additional TIP payment in 2016 of \$150,000 for exceptional performance in respect of the 2016 year. The additional payment was treated per the 2016 rules as cash (50%) and equity (50%).

(4) Ms Lamont is a member of a defined benefit scheme and her fixed remuneration includes \$80,000 of contributions to that scheme.

(5) Mr Monaghan received an incentive payment of \$225,000 for his contribution in finalising the sale of ARM.

(6) Mr Atkinson was a participant in the Adshel KPI and Achievement Plus Scheme in 2016. The cash incentive of \$97,013 relates to the period after which Mr Atkinson became an Executive KMP of APN. He was not a participant in the APN 2016 TIP.

**REMUNERATION
REPORT**
(D) HOW 2016 REWARD WAS LINKED TO PERFORMANCE
Statutory performance indicators

The overall Company performance for 2016 is reflected in the performance indicators below. Viewed across the relevant financial metrics, APN's financial performance was broadly in line with expectations.

	2016	2015	2014	2013	2012
Group EBITDA ⁽ⁱ⁾	\$90.9m	\$166.2m	\$164.1m	\$162.8m	\$156.0m
Net profit after tax ⁽ⁱⁱ⁾	\$62.7m	\$70.2m	\$74.7m	\$59.5m	\$54.3m
Basic EPS ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ (cents)	31.4	44.4	49.5	50.2	46.8
Increase/ (decrease) in share price (%) ^(iv)	(1%)	(37%)	86%	80%	(65%)

(i) Continuing operations before exceptional items.

(ii) Continuing and discontinuing operations before exceptional items, attributable to APN shareholders.

(iii) Adjusted for share consolidation and bonus elements of the 2016 rights issues and placement, and the bonus element of the 2014 rights issue.

(iv) 2016 opening share price adjusted for the impact of NZME demerger, share consolidation, rights issues and placement.

Performance and impact on remuneration
(i) TIP awarded in 2016

A component (75%) of the 2016 TIP award was dependent on Group and divisional EBITDA performance relative to budget. EBITDA performance for the 2016 financial year is outlined in the table below. At a divisional level, the performance of ARN was 4.1% under the target, while ARM was more than 5% below the target.

2016 TIP financial metrics	Performance
Group EBITDA	Between threshold and target
ARN EBITDA	Between threshold and target
ARM EBITDA	Below target

In recognition of APN's financial performance and the performance of each Executive KMP relative to their individual KPIs (outlined above) in 2016, the following TIP awards were made. The cash portion of the TIP (50%) will be paid in March 2017. The remaining 50% will be granted as Rights in March 2017 and will vest subject to continued service at the end of the one-year service period, and will then be subject to a two-year holding lock.

Executive KMP	TIP awarded (cash incentive) (\$)	TIP awarded (equity award) ⁽ⁱ⁾ (\$)	Total TIP awarded (\$)	% of target achieved	% of maximum achieved	% of maximum forfeited
Ciaran Davis	528,955	528,955	1,057,910	88%	64%	36%
Jeff Howard	352,701	352,701	705,402	90%	66%	34%
Tony Kendall	79,595	79,595	159,190	53%	39%	61%
Yvette Lamont	132,239	132,239	264,478	88%	64%	36%
Neil Monaghan	46,818	46,818	93,636	40%	29%	71%

(i) This differs from the accounting fair value of the equity award (included in section (f) below), which is calculated in accordance with accounting standards and expensed over two financial years, covering both the performance and service periods.

(ii) LTI vested in 2016

The first grant of Performance Rights under the LTI plan was made in January 2014, with performance tested on 31 December 2016. Performance against the EPS growth and relative TSR performance hurdles, and the percentage of the 2014 LTI grant which vested during 2016 are outlined in the table below:

2014 LTI performance measures	Percentage of LTI grant	Target performance	Actual performance	Percentage vested
EPS	75%	4.62% EPS growth	(i)	0%
Relative TSR	25%	51st percentile	69th percentile (88% achievement)	22%
Total vesting				22%

(i) EPS declined over 2014 to 2016 due to strategic activity over the period.

(E) TOTAL REMUNERATION FOR EXECUTIVE KMP

Details of the Executive KMP remuneration for 2016 and 2015 are set out in the table below. The remuneration in this table has been calculated in accordance with accounting standards and therefore differs from the information included in section (c) of this report.

	Short-term benefits			Post-employment benefits	Other long-term benefits	Share-based payments	Termination benefits (\$)	Total (\$)
	Cash salary and fees ¹ (\$)	Non-monetary benefits (\$)	Cash incentives ² (\$)	Super-annuation (\$)	Long-service leave ³ (\$)	Fair value of equity awards ⁴ (\$)		
Ciaran Davis ⁵								
2016	1,158,315	32,322	728,955	19,462	33,452	273,218	-	2,245,724
2015	840,788	41,246	440,000	19,045	36,117	310,089	-	1,687,285
Jeff Howard ⁶								
2016	642,373	48,264	352,701	19,462	20,171	67,497	-	1,150,468
2015	544,372	48,116	358,500	19,045	10,202	223,855	-	1,204,090
Tony Kendall								
2016	577,846	-	79,595	19,462	416	49,361	-	726,680
2015	46,684	-	-	4,435	-	-	-	51,119
Yvette Lamont ⁷								
2016	400,000	10,099	132,239	83,000	8,094	16,797	-	650,229
2015	400,000	10,248	239,000	89,000	8,093	122,333	-	868,674
Neil Monaghan ⁸ (until 28 December 2016)								
2016	447,331	-	271,818	19,302	6,762	(36,338)	-	708,875
2015	451,455	-	70,311	19,045	6,116	239,864	-	786,791
Rob Atkinson ⁹ (from 25 October 2016)								
2016	95,680	66,938	97,013	3,572	-	-	-	263,203
Michael Boggs (from 8 April 2016 to 29 June 2016)								
2016	168,787	-	-	5,064	-	-	-	173,851
Jane Hastings (until 8 April 2016)								
2016	395,926	-	-	11,878	-	(201,267)	-	206,537
2015	704,588	-	320,632	27,008	-	163,918	-	1,216,146
Michael Miller (until 30 September 2015)								
2015	902,385	28,493	-	14,219	-	(403,068)	-	542,029
Total								
2016	3,886,258	157,623	1,662,321	181,202	68,895	169,268	-	6,125,567
2015	3,890,272	128,103	1,428,443	191,797	60,528	656,991	-	6,356,134

(1) Cash salary and fees includes accrued annual leave paid out as part of salary.

(2) Cash incentive payments relate to STI awards accrued for the relevant year, and paid in the year following.

(3) Long service leave relates to amounts accrued during the year.

(4) Includes a reversal of the 2014 LTI EPS portion, which has resulted in some negative amounts.

The fair value at grant date is independently determined using a number of methods including the Binomial option pricing model and the Monte-Carlo option pricing model which take into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right

(5) Mr Davis received a retention incentive payment in 2016 of \$200,000 relating to his previous role as CEO of ARN.

(6) Mr Howard received an additional TIP payment in 2016 of \$150,000 for exceptional performance. The additional payment was treated per the 2016 rules as cash (50%) and equity (50%).

(7) Ms Lamont is a member of a defined benefit superannuation plan. The amount disclosed above has been determined in accordance with the relevant accounting standards and differs from the amounts contributed to the scheme, which were included in the table in section (c) of this report.

(8) Mr Monaghan received an incentive payment of \$225,000 for his contribution in finalising the sale of ARM.

(9) Mr Atkinson was a participant in the Adshel KPI and Achievement Plus Scheme in 2016. The cash incentive of \$97,013 relates to the period after which Mr Atkinson became a KMP of APN. He was not a participant in the APN 2016 TIP.

**REMUNERATION
REPORT**
(F) CONTRACTUAL ARRANGEMENTS WITH EXECUTIVE KMP

Remuneration and other terms of employment for the Executive KMP are formalised in employment contracts. All Executive KMP are employed under contracts with substantially similar terms. The key elements of these employment contracts are summarised below:

Contract duration	Continuing
Notice by individual / Company	Employment may be terminated by either party. Notice periods vary according to contractual terms: CEO & Managing Director and Chief Financial Officer – twelve months, Group General Counsel – three months, divisional Chief Executive Officers – six months, Chief People Officer – four months.
Termination of employment (for cause)	All contracts provide that employment may be terminated at any time without notice for serious misconduct.
Termination of employment (without cause)	Where employment is terminated by the Company, payment may be made in lieu of notice.
Redundancy	If the Company terminates the employment of an Executive KMP for reasons of redundancy, a redundancy payment would be paid depending on the length of their service, in each case not exceeding the following: 12 months of base salary.
Non-compete/restraint	Executive KMP are subject to non-compete provisions for the term of their notice period.

(G) NON-EXECUTIVE DIRECTOR ARRANGEMENTS
Approach

Non-executive Directors are provided with written agreements which outline the fees for their contribution as Directors. Fees reflect the demands which are made on, and the responsibilities of, the Directors. The Remuneration Committee has the responsibility for reviewing and recommending the level of remuneration for Non-executive Directors in relation to Board and Committee duties.

The annual fees provided to Non-executive Directors inclusive of superannuation are shown below:

Role	Chair fee¹ (\$)	Member fee (\$)
Board	250,000	100,000
Audit & Risk Committee	20,000	10,000
Remuneration Committee	20,000	10,000
Nomination and Governance Committee	20,000	10,000

1. The Board Chair does not receive Committee fees. The Board Chair fees increased by \$25,000 in 2016, replacing fees previously received as the Chairman of Adshel prior to APN's acquisition of the remaining 50% in October 2016. There was no additional cost to APN as a result of this change.

Approved fee pool

The Non-executive Director fee pool was increased to \$1,200,000 per annum following shareholder approval at the 2015 AGM. There will be no change to the Non-executive Director fee pool for 2017.

Retirement benefits

Non-executive Directors may receive retirement benefits in accordance with the *Corporations Act 2001*. Retirement benefits to Non-executive Directors were frozen in 2007.

Details of the Non-executive Directors' fees for 2016 and 2015 are set out in the table below:

Director	Fees (\$)	Super- annuation (\$)	Retirement benefits (\$)	Total (\$)
Peter Cosgrove				
2016	210,151	19,438	-	229,589
2015	177,732	16,768	-	194,500
Paul Connolly				
2016	114,190	10,848	-	125,038
2015	93,607	8,893	-	102,500
Peter Cullinane				
2016	109,589	10,411	-	120,000
2015	95,890	9,110	-	105,000
Christine Holman (from 16 November 2015)				
2016	106,303	10,099	-	116,402
2015	12,027	1,142	-	13,169
Anne Templeman-Jones				
2016	118,721	11,279	-	130,000
2015	105,023	9,977	-	115,000
Ted Harris AC (to 11 May 2016)				
2016	49,813	4,732	-	54,545
2015	136,987	13,013	-	150,000
Sir John Anderson (from 26 March 2015 to 30 June 2016)				
2016	50,228	4,772	-	55,000
2015	68,592	6,516	-	75,108
Vincent Crowley (to 6 May 2015)				
2016	-	-	-	-
2015	25,512	2,424	-	27,936
Total				
2016	758,995	71,579	-	830,574
2015	715,370	67,843	-	783,213
Amounts paid by subsidiaries of APN News & Media Limited				
Peter Cosgrove - Chairman's fee Buspak Hong Kong				
2016	10,388	519	-	10,907
2015	10,288	514	-	10,802
Total				
2016	769,383	72,098	-	841,481
2015	725,658	68,357	-	794,015

Refer to note 6.4 of the financial statements for details of transactions with related parties.

**REMUNERATION
REPORT**
(H) SHARE-BASED REMUNERATION
(i) Terms and conditions of share-based remuneration

There were no shares issued to Directors and Executive KMP as part of their remuneration for 2016.

Executive KMP received a grant of rights under the TIP during 2016. A summary of the grant is presented below:

Name	Grant date ⁽¹⁾	Vesting date	Number of rights granted	Value per right at grant date (\$)
Ciaran Davis	31 March 2016	1 January 2018	209,073	3.24
Jeff Howard	20 April 2016	1 January 2018	139,408	3.14
Tony Kendall	20 April 2016	1 January 2018	31,460	3.14
Yvette Lamont	20 April 2016	1 January 2018	52,268	3.14
Neil Monaghan	20 April 2016	1 January 2018	18,505	3.14
Rob Atkinson	-	-	-	-
Michael Boggs	-	-	-	-
Jane Hastings	-	-	-	-

(1) The date on which the fair value of the TIP rights were calculated, being the deemed grant date of the rights for accounting purposes. An actual grant of rights will not be made to the CEO & Managing Director until after shareholder approval has been received at the Annual General Meeting, and for all other Executive KMPs on 17 March 2017.

The vesting of rights is subject to a one-year service period as set out in the TIP description in section (c) of this report. Rights carry no voting or dividend rights; if dividends are paid, the number of rights is increased accordingly. No rights were exercised during the year.

Rights which vest at the end of the one-year service period will convert to ordinary APN shares at the vesting date; however, Executive KMP are unable to trade vested shares until the end of the two-year restriction period.

There are no rights to deferred share options or deferred shares.

(ii) Reconciliation of Rights

The table below shows a reconciliation of the number of Rights held by each Executive KMP from the beginning to the end of the 2016 financial year:

Name	Balance at start of the year	Granted	Vested	Exercised	Forfeited	Other changes	Balance at end of the year	
							Vested and exercisable at end of the year	Unvested
Ciaran Davis ⁽¹⁾	225,557	209,073	(22,138)	-	(78,490)	-	22,138	334,002
Jeff Howard	153,092	139,408	(22,138)	-	(78,490)	-	22,138	191,872
Tony Kendall	-	31,460	-	-	-	-	-	31,460
Yvette Lamont	85,290	52,268	(11,069)	-	(39,245)	-	11,069	87,244
Neil Monaghan	94,034	18,505	(11,069)	-	(39,245)	-	11,069	62,225
Rob Atkinson	-	-	-	-	-	-	-	-
Michael Boggs	-	-	-	-	-	-	-	-
Jane Hastings	113,471	-	-	-	(113,471)	-	-	-
Total	671,444	450,714	(66,414)	-	(348,941)	-	66,414	706,803

(1) An actual grant of rights will not be made to the CEO & Managing Director until after shareholder approval has been received at the Annual General Meeting.

Numbers are reported based on the 1 for 7 share consolidation effected during the year which resulted in all outstanding Rights also being consolidated on the same basis.

(I) DIRECTOR AND EXECUTIVE KMP SHAREHOLDINGS

The number of shares in the Company held by each Non-executive Director and Executive KMP during the year including their related parties is summarised below:

	Balance at start of year	Change	Balance at end of the year
Non-executive Directors			
Peter Cosgrove	55,524	46,981	102,505
Paul Connolly	35,715	30,220	65,935
Peter Cullinane	11,286	-	11,286
Christine Holman	-	26,375	26,375
Anne Templeman-Jones	875	9,241	10,116
Ted Harris ¹	91,065	-	91,065
Sir John Anderson ²	14,286	-	14,286
Executive KMP			
Ciaran Davis	-	20,573	20,573
Jeff Howard	31,927	35,719	67,646
Tony Kendall	-	-	-
Yvette Lamont	9,285	7,858	17,143
Neil Monaghan ³	50	-	50
Rob Atkinson ⁴	-	-	-
Michael Boggs ⁵	-	-	-
Jane Hastings ⁶	-	-	-

Numbers reported are based on the 1 for 7 share consolidation effected during the year.

(1) Mr Harris retired as a Director on 11 May 2016. The closing balance in the table above is the number of shares held on that date.

(2) Sir John Anderson resigned as a Director on 30 June 2016. The closing balance in the table above is the number of shares held on that date.

(3) Mr Monaghan was an Executive KMP until 28 December 2016. The closing balance in the table above is the number of shares held on that date.

(4) Mr Atkinson became an Executive KMP on 25 October 2016.

(5) Mr Boggs became an Executive KMP on 8 April 2016 and ceased being an Executive KMP on 29 June 2016.

(6) Ms Hastings was an Executive KMP until 8 April 2016.

(J) OTHER STATUTORY DISCLOSURES**i) Unvested LTI awards granted in prior financial years**

The 2015 LTI grant is unvested, with performance due to be tested on 31 December 2017. The EPS target will be disclosed after the 2015 LTI grant is tested, and vesting outcomes have been determined, to ensure the Company's competitive position is not comprised. Further details regarding the 2015 LTI vesting schedule can be found in the 2015 Annual Report.

ii) Loans given to Non-executive Directors and Executive KMP

There are no loans with the Non-executive Directors or Executive KMP.

iii) Securities Trading Policy and Guidelines

The Company's Securities Trading Policy and Guidelines is outlined in the Corporate Governance Statement section of this Annual Report. Under the policy, restricted persons, which includes KMP, are not permitted to hedge any options, rights or similar instruments prior to them becoming vested or otherwise tradable under the applicable plan.

iv) Voting and comments made at the Company's 2016 AGM

The Company received more than 97% of "yes" votes on its remuneration report for the 2015 financial year. No major remuneration related concerns were raised which required the Company's attention during the 2016 financial year.

v) External remuneration consultants

During 2016, APN made use of external remuneration consultants. No recommendations in relation to KMP remuneration were provided during 2016.

All advice from remuneration consultants is carefully considered by the Remuneration Committee. The Committee is satisfied that all advice received from remuneration consultants has been given free of undue influence by Executive KMP.