



July 27, 2015

Ten Network Board And Senior Management Changes.

Ten Network Holdings Limited (ASX: TEN) (“TEN” or the “Company”) today announced Board and Senior Management changes that reinforce the strategic arrangements outlined on June 15, 2015.

- Executive Chairman and Chief Executive Officer Hamish McLennan has stepped down from both roles.
- Non-Executive Director David Gordon has been appointed Chairman effective today.
- Paul Anderson has been appointed Chief Executive Officer effective today.

TEN Executive Chairman and Chief Executive Officer, Hamish McLennan, has stepped down from both roles with effect from today.

TEN Non-Executive Director David Gordon has been appointed Chairman, effective today.

Mr Gordon has been a Director of Ten since April 2010 and, as a member of the Independent Board Committee, has been closely involved with the strategic transactions announced on June 15.

Mr Gordon said: “The Board thanks Hamish for his contribution during what has been a challenging period in TEN’s history. He has led a strong and talented management team to effect a turnaround in the Company’s performance.

“Hamish will work with myself and Paul Anderson on a seamless transition and he will continue to advise and assist the company until the end of the year.

“TEN is in an important and exciting phase, as we continue to build our revenue on the back of strong audience growth since mid-2014 and transition our sales activities to Multi Channel Network (‘MCN’); and maintain our clear focus on growth and efficiencies,” he said.

Hamish McLennan said: “The strategic arrangements announced on June 15, including the proposed investment by Foxtel in TEN and the transformative agreement with MCN, mean that my role is complete.

“An independent Chairman is needed to lead the Board through the next phase of the Company’s development. David Gordon has been an exceptional Director and his contribution has always been of the highest standard. He will represent all shareholders very well.”

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TEN Chief Operating Officer and Chief Financial Officer, Paul Anderson, has been appointed Chief Executive Officer, effective today.

Mr Gordon said: "The board was delighted to have such a strong internal candidate as Paul and we were unanimous in appointing him as Chief Executive Officer. He is a 12-year veteran at TEN, well-respected internally and externally, and is the ideal person to lead the TEN team."

Mr McLennan said: "Paul has been a great partner to myself in the dual role of COO and CFO of the company and has been an integral member of our leadership team. I have greatly valued his help and support in developing the plans for the significant resurgence TEN is now experiencing."

Mr Anderson has been Chief Financial Officer of TEN since March 2011, having held various senior finance roles at the Company since he joined in 2003. He was promoted to the role of Chief Operating Officer in April 2014 with oversight across all areas of the business.

Mr Anderson said: "I'm extremely honoured to be offered this opportunity by the Board and I look forward to continuing to work with the very talented team at TEN to build on the improvements we have seen over the past year or so and execute our strategy, which remains unchanged.

"TEN has ratings and revenue momentum, as demonstrated by the 15% audience growth our primary channel achieved in the first half of the 2015 ratings year and the exceptionally strong revenue growth we have seen in recent months.

"At the same time, the transition to MCN is progressing smoothly and has been very well received by the market," he said.

The strategic arrangements announced on June 15 included the appointment of MCN as sales representative of TEN's television and digital advertising inventory; the proposed investment in TEN by Foxtel Management Pty Ltd, as agent for the Foxtel Partnership ("Foxtel"); and the proposed renounceable entitlement offer to TEN shareholders.

Mr Gordon's appointment is the first step in the Board changes announced on June 15 that, subject to the completion of the proposed arrangement with Foxtel, the TEN Board will be reduced in size to six directors. The Board will then comprise two independent directors (one of whom will be Chairman), one representative of Foxtel and three representatives of existing major shareholders.

TEN will undertake a selection process for a new Chief Financial Officer.

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Key Terms Of Paul Anderson's Executive Service Agreement

Mr Anderson is appointed as the Chief Executive Officer of the Company effective from July 27, 2015, subject to an Executive Service Agreement (ESA).

Under the ESA, Mr Anderson is employed on an ongoing basis. TEN may terminate Mr Anderson's employment by providing 12 months' written notice or may summarily dismiss without notice in circumstances of serious misconduct. Mr Anderson may terminate his employment with 12 months' notice.

Mr Anderson's Remuneration Package

The details of Mr Anderson's remuneration package are set out below.

From his appointment as Chief Executive Officer, Mr Anderson's fixed remuneration is \$1,250,000 per annum, subject to an annual CPI increase or 3 per cent whichever is the greater.

If cash flow targets are met, Mr Anderson's fixed remuneration will increase to \$1,450,000 from the year in which the targets are met (First Condition). The fixed remuneration will increase to \$1,650,000 from the year in which cash flow targets are met following the refinancing of the Company's facility with the Commonwealth Bank and the release of certain guarantees (Second Condition).

Mr Anderson is eligible to participate in the Company's Incentive Scheme (Scheme) and receive 80% of his fixed remuneration per annum in respect of a short term and long term incentive for the achievement of financial and non-financial key performance hurdles.

Mr Anderson's participation in the Scheme will increase as follows:

- 86% of fixed remuneration if the First Condition is met;
- 90% of fixed remuneration if the Second Condition is met and
- 100% of fixed remuneration for the year after the Second Condition is met.

Post-Employment Restraints

Mr Anderson is subject to a post-employment restraint (including non-compete and non-solicitation provisions) for 12 months following the termination of his employment. The post-employment restraint is reduced by any period of garden leave immediately prior to the date on which his employment terminates.

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