

# CML Group



## **NOTICE OF ANNUAL GENERAL MEETING** and Explanatory Memorandum to shareholders

**CML Group Limited**  
**ABN: 88 098 952 277**

**Please read the Notice of Annual General Meeting  
and Explanatory Memorandum carefully**

If you are unable to attend the meeting,  
please complete and return the enclosed  
Proxy Form in accordance with the  
instructions provided.

# CML Group

Dear Fellow Shareholder

Please try and attend the AGM of CML Group as it is your chance to ask questions on the Company and its activities this year. It will be held at the Kirribilli Club, 11 Harbourview Crescent, Lavender Bay NSW 2060 on Tuesday 18<sup>th</sup> November 2014 beginning at 4:00pm.

If you are not able to attend the AGM, please consider sending in a proxy, it is your way of telling us your feelings. Details are in the Explanatory memorandum and on the proxy form.

Regards

A handwritten signature in black ink, appearing to read 'Ian Winlaw', with a stylized flourish at the end.

Ian Winlaw  
Chairman  
10 October 2014

# CML Group

## CML Group Limited

ABN: 88 098 952 277

## Notice of Annual General Meeting

Notice is hereby given that the 2014 Annual General Meeting (AGM) of CML Group Limited will be held at the Kirribilli Club, 11 Harbourview Crescent, Lavender Bay NSW 2060 on Tuesday 18<sup>th</sup> November 2014 beginning at 4:00pm.

If you are unable to attend the AGM, we encourage you to complete and return the enclosed Proxy Form. Proxies (and any power of attorney or other authority under which the proxy is signed) must be received by the Company, at the address or at the facsimile number specified below no later than 4.00pm Sydney time on Sunday 16<sup>th</sup> November 2014. Proxy Forms must be posted to the Company's registry, Computershare Investor Services Pty Limited, at GPO Box 242, Melbourne, Victoria 3001 or sent by facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

### Ordinary business

#### Receipt of financial report

To receive and consider the annual financial report of the Company for the year ended 30 June 2014, the accompanying Directors' Report and Auditors' Report.

#### Resolution 1: Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2014 be adopted."

**Note:** the vote on this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out on pages 10 to 15 of the Company's 2014 Financial Report, available on the company's website [www.CML-Group.com.au](http://www.CML-Group.com.au)

#### Resolution 2: Re-election of Greg Riley

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That Greg Riley be re-elected as a Director of the Company, effective from the close of the meeting."

Mr Riley retires by rotation, and being eligible, offers himself for re-election.

#### Resolution 3: Re-election of Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

Mr Daniel O'Neile was appointed to the board in December 2013, retires as a casual vacancy and offers himself for re-election.

"That Daniel O'Neile be re-elected as a Director of the Company, effective from the close of the meeting."

Mr O'Neile being eligible, offers himself for election.

Under the Company's constitution, one third of the directors (with the exception of the Managing Director) retire every year. There are four non-executive directors to whom this provision applies.

#### Other business

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act 2001.

# CML Group

## Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of AGM.

### Entitlement to vote

It has been determined that, in accordance with Corporations Regulation 7.11.37, for the purposes of the AGM, shares will be taken to be held by the persons who are registered holders at 7pm Sydney time on Sunday 16<sup>th</sup> November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

### Voting restrictions

The laws that apply to voting on resolutions relating to the remuneration of key management personnel (as disclosed in the Remuneration Report) have changed. Certain categories of persons (including Directors and the Chairman of the meeting) are now prohibited from voting on such resolutions, including as proxy in some circumstances.

To ensure that your vote counts, please read the guidance on voting restrictions and proxy appointment set out below.

The Corporations Act provides that no member of the key management personnel or their closely related parties may vote on a resolution on the Remuneration Report ( **Resolution 1** ).

These restrictions apply in relation to votes cast by or on behalf of any of the persons specified above. However, the restrictions will not apply where votes are cast:

- (a) by any of the persons mentioned above as proxy for a person who is permitted to vote if the vote is cast in accordance with the directions on the Proxy Form; or
- (b) by the Chairman of the meeting as a proxy for a person who is permitted to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Proxies

As noted above, certain categories of persons (including Directors and the Chairman of the meeting) are now prohibited from voting on resolutions relating to the remuneration of key management personnel, including as proxy in some circumstances.

If you are appointing a proxy, to ensure that your vote counts, please read the following and the instructions on the Proxy Form carefully.

If you appoint the Chairman of the meeting as your proxy, you should note that the Chairman of the meeting is a member of the key management personnel and may only exercise your vote on the resolution on the Remuneration Report (Resolution 1), if you direct him how to vote, or mark the appropriate box in Step 1 on the Proxy Form.

If you appoint a member of the key management personnel of the Company other than the Chairman of the meeting (which includes the Directors) or a closely related party of such a member as your proxy you must direct him/her how to vote on resolution on the Remuneration Report (Resolution 1) – otherwise they are not permitted to vote undirected proxies on the resolution and your votes will not be counted in calculating the required majority if a poll is called.

### The Chairman of the meeting intends to vote all available proxies in favour of all resolutions.

Shareholders are advised that:

- (a) each shareholder entitled to attend and vote at the AGM has a right to appoint a proxy to attend and vote instead of the shareholder;
- (b) the proxy need not be a shareholder of the Company and may be an individual or body corporate;
- (c) a shareholder who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes;
- (d) a shareholder may specify the way in which the proxy is to vote on the resolution or may allow the proxy to vote at his or her discretion; and
- (e) if a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
  - i) appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act 2001 (Cth); and
  - ii) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

# CML Group

A Proxy Form accompanies this Notice of AGM and, to be effective, must be received at the Company's share registry, Computershare Investor Services:

**Postal address:**

GPO Box 242, Melbourne, Victoria 3001

**Facsimile number:**

(within Australia) 1800 783 447

(outside Australia) +61 3 9473 2555

Proxies (and any power of attorney or other authority under which the proxy is signed) must be received by the Company, at the address or at the facsimile number specified below no later than 4.00pm Sydney time on Sunday 16 November 2014.

**By order of the Board**

**Ralph Stonell**

Company Secretary

10<sup>th</sup> October 2014



# CML Group

**CML Group Limited**

**ABN: 88 098 952 277**

## **Explanatory Memorandum to shareholders**

### **Explanatory Memorandum**

This Explanatory Memorandum has been prepared to provide the shareholders of the Company with material information to enable them to make an informed decision on the business to be conducted at the forthcoming AGM of the Company to be held on Tuesday 18<sup>th</sup> November 2014 at 4:00pm.

This Explanatory Memorandum is an important document. Please read it carefully.

### **Ordinary business**

#### **Annual financial report**

The Corporations Act 2001 (Cth) (Corporations Act) requires that:

- a) the annual financial report for the year ended 30 June 2014; and
- b) the reports of the Directors and auditors,

be laid before the AGM. Neither the Corporations Act nor the Constitution requires a vote of the shareholders on these reports. However, shareholders will be given reasonable opportunity to raise questions and comment on the reports and management of the Company at the AGM.

Shareholders will also be given reasonable opportunity at the AGM to ask the Company's auditor for the 2014 financial year, Pitcher Partners, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

#### **Resolution 1: Remuneration Report**

Shareholders are asked to adopt the Company's Remuneration Report.

The Remuneration Report is set out on pages 10 to 15 of the Company's 2014 Financial Report, available on the company's website:  
[www.CML-group.com.au](http://www.CML-group.com.au)

Shareholders will be given reasonable opportunity for discussion of the Remuneration Report at the AGM. The shareholder vote on this resolution is advisory only and does not bind the Company or its Directors. The Remuneration Committee will, however, take into account the discussion on this resolution and the outcome of the vote when considering the Company's future remuneration arrangements.

**The Board recommends that shareholders vote in favour of the resolution.**

#### **Resolution 2: Re-election of Greg Riley**

Greg Riley has been a Director of the Company since December 2000. His current responsibilities include membership of the Nomination and Remuneration committee.

Greg is the founder of CML Group and is a major shareholder. After running a small recruitment business during the 1990's Greg realised the highly cyclic nature of the industry and the lack of competitive advantage of recruitment businesses made profitability a constant challenge.

As a result, Greg developed a model designed to improve the competitive advantage of existing specialist recruitment businesses and provide a less cyclic return.

This is the CML Group model – based on a Franchising model but designed for the unique nature of the Recruitment industry.

Greg resigned as Managing Director in October 2010 and has been available to undertake specific consulting assignments as agreed with the board. The group has benefited enormously from his understanding of the recruitment industry and the vision that Greg gave in the way in which CML operates within it.

**The Board (excluding Greg Riley who is abstaining because of his interest) recommends unanimously that shareholders vote in favour of the re-election of Greg Riley as a Director of the Company.**

# CML Group

## Resolution 3: Re-election of a Director

Daniel O'Neile has been a Director of the Company since December 2013. His current responsibilities include membership of the Audit Committee.

Daniel has a strong background in corporate banking, holding various roles within Australia's largest banks and currently a director of Navfin Pty Limited. Daniel holds a bachelor of business (Banking and Finance).

Daniel's strategic and banking industry insights since being elected onto the board of Directors has significantly benefited the company.

**The Board (excluding Daniel O'Neile who is abstaining because of his interest) recommends unanimously that shareholders vote in favour of re-electing Daniel O'Neile as a Director of the Company.**