

## **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 Limited**  
**ABN: 88 098 952 277**  
**Notice of Annual General Meeting**

Notice is hereby given that the 2016 Annual General Meeting (AGM) of CML Group Limited will be held at the Kirribilli Club, 11 Harbourview Crescent, Lavender Bay NSW 2060 on Wednesday 2<sup>nd</sup> November 2016 beginning at 3:00pm.

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 3.00pm Sydney time on Monday 31<sup>st</sup> October 2016. 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 2016, 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 2016 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 11 to 18 of the Company's 2016 Financial Report, available on the company's website <http://cml-group.com.au/investor-relations/publications-policies/>

### Voting Exclusion

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- a closely related party of such a member (those parties being "**Restricted Voters**").

However, a person (the voter) described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1 or, in the case of the chair of the meeting, where an express authorisation to vote undirected proxies is given.

### Voting Note

Directors of the Company who are key management personnel whose remuneration details are included in the 2016 remuneration report, any other key management personnel whose remuneration details are included in the 2016 remuneration report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.

### Resolution 2: Re-election of Director – Ms Sue Healy

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

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

Ms Healy being eligible, offers herself 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.

### Resolution 3: Placement Capacity Refresh

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

- "That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by approving the previous issue of 1,000,000 shares at an issue price of \$0.15 on 27 April 2016, on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.
- "That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by approving the previous issue of 13,090,673 shares at an issue price of \$0.15 on 12 May 2016, on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.

## **Voting Exclusion Statement for Resolution 3**

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3(a)-(b) by those persons who participated in the issue of Shares and their associates.

However, the Company will not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Resolution 4: Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having capacity to issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last fifteen (15) days on which trades of the Company ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made and on the terms and conditions in the Explanatory Statement."

## **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit except a benefit solely in the capacity of a holder of Shares if this Resolution is passed and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Voting Note**

If as at the time of the Annual General Meeting, the Company:

- is included in the S&P/ASX 300 index; and/or
- has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of greater than AU\$300 million,

then resolution 4 will be withdrawn.

## **Other business**

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

## **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 in the Company will be taken to be held by the persons who are registered holders at 7pm Sydney time on Monday 31<sup>st</sup> October 2016. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

## Voting restrictions

Certain categories of persons (including Directors and the Chairman of the meeting) are prohibited from voting on resolutions relating to the remuneration of key management personnel (as disclosed in the Remuneration Report), 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.

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 3.00pm Sydney time on Monday 31<sup>st</sup> October 2016.

### **Special Resolution**

For a special resolution to be passed at least 75% of the votes validly cast on the resolution by shareholders (by numbers of shares) must be in favour of the resolution. Resolution 4 is a special resolution.

### **By order of the Board**

**Steve Shin**  
Company Secretary  
28<sup>th</sup> September 2016

# 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 Wednesday 2<sup>nd</sup> November 2016 at 3:00pm.

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

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## 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 2016; 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 2016 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.

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### Resolution 1: Remuneration Report

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

The Remuneration Report is set out on pages 11 to 18 of the Company's 2016 Financial Report, available on the company's website <http://cml-group.com.au/investor-relations/publications-policies/>.

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.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings ("AGM") (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2015 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report. However, in the event 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more at the same resolution at the 2017 AGM the consequences are that it may result in the re-election of the Board.

Note that voting restrictions apply to Resolution 1 in the terms set out in the Notice of Meeting.

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

### Resolution 2: Re-election of a Director – Sue Healy

Sue Healy has been a Director of the Company since November 2012. Her current responsibilities include membership of the Audit Committee and Chairperson of the Nomination and Remuneration committee.

Sue has extensive business leadership and corporate advisory experience, and holds a number of advisory and directorship roles. She was the founder and Managing Director of Staff & Exec Pty Ltd and HR Partners Pty Ltd for 20 years. (A national talent and managed services business). She has also held Executive General Manager roles for The Skilled Group Ltd and Chandler MacLeod Group Ltd (Australia's 2 largest ASX listed human capital companies). She is an advisory board member of Ccentric Group Ltd & Director of a global executive search business Witt Keiffer/Ccentric.

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

### **Resolution 3: Placement Capacity Refresh**

Resolution 3 (a) – (b) seeks Shareholder approval for the prior issues of Shares that have occurred in the 12 months prior to 31 August 2016 that have not already been approved by Shareholders for the purposes of Listing Rule 7.4.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the Company's issued capital at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting subsequently approves the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company is seeking Shareholder approval to the issues of securities described below. The Board believes that it is in the best interests of the company to maintain the ability to issue up to its full placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

### **Specific Information required by ASX Listing Rule 7.5**

In accordance with the requirements of Listing Rule 7.5 the following information is provided in relation to the following:-

- (a) Number of shares issued: 1,000,000  
Price of the shares issued: \$0.15  
The terms of the shares issued: shares rank equally in all respects with the existing shares. The shares were issued to place the shortfall of shares not taken as part of dividend reinvestment plan in respect of the interim dividend for the year ended 30 Jun 2016. The shares were issued to an unrelated, sophisticated investor client of the Company's corporate advisor Henslow Pty Ltd. The funds were applied to the Company's working capital requirements.
- (b) Number of shares issued: 13,090,673  
Price of the shares issued: \$0.15  
The terms of the shares issued: shares rank equally in all respects with the existing shares. The shares were issued to part fund the acquisition of 180 Group. The shares were issued to an unrelated, sophisticated investor clients of the Company's corporate advisor Henslow Pty Ltd.

A voting exclusion statement in respect of this resolution is contained in the Notice of AGM accompanying this Explanatory Memorandum.

**The Board considers the adoption of this resolution to be appropriate and reasonable and recommends you vote in favour.**

### **Resolution 4: Approval of 10% Placement Facility**

#### **General**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued capital though placements over a 12 month period after the annual general meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

The Company may seek to issue Equity Securities under the 10% Placement Facility as non-cash consideration for the acquisitions of new assets and investments and for the payment of consultants and/or advisors or to raise funds to meeting the Company's funding and/or general working capital requirements.

**The Board considers the adoption of this resolution to be appropriate and reasonable and recommends you vote in favour.**

## Description of Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Security

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of AGM, the Company has two classes of quoted Equity Securities, being ordinary shares ("Shares") and convertible notes.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### (A x D) – E

**A** is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### (d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Annual General Meeting, the Company has on issue 130,100,023 Shares. The Company therefore has a capacity to issue:

- (i) 19,515,003 Equity Securities under Listing Rule 7.1; and
- (ii) 13,010,002 Equity Securities under Listing Rule 7.1A, subject to the Shareholder approval being sought under Resolution 4.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

### (e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

### (f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) ("10% Placement Period").

## Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset;
 which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The formula in Listing Rule 7.1A(2) is outlined in section (c) above.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.13 50% decrease in Issue Price	\$0.25 Issue Price	\$0.38 50% increase in Issue Price
Current Variable A 130,100,023 Shares	10% Voting Dilution	13,010,002 Shares	13,010,002 Shares	13,010,002 Shares
	Funds Raised	\$1,626,250.29	\$3,252,500.58	\$4,878,750.86
50% increase in current Variable A 195,150,035 Shares	10% Voting Dilution	19,515,003 Shares	19,515,003 Shares	19,515,003 Shares
	Funds Raised	\$2,439,375.43	\$4,878,750.86	\$7,318,126.29
100% increase in current Variable A 260,200,046 Shares	10% Voting Dilution	26,020,004 Shares	26,020,004 Shares	26,020,004 Shares
	Funds Raised	\$3,252,500.58	\$6,505,001.15	\$9,757,501.73

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  - (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - (vii) The issue price is \$0.25, being the closing price of the Shares on the ASX on 16 September 2016. The deemed price is indicative only and does not consider the 25% discount to market that the securities may be placed at.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of new assets and investments and the payment of consultants and/or advisors. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) Cash consideration for funding requirement and/or for general working capital. In addition, the Company may use the cash consideration for the acquisition of new assets and investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of AGM but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class or existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

**Note:** unless otherwise specified, all monetary amounts are expressed in Australian dollars.

# CML Group

CML Group

Payroll & Finance

ACN 098 952 277

CGR

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 3:00pm Monday, 31 October 2016**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of CML Group Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of CML Group Limited to be held at Kirribilli Club, 11 Harbourview Crescent, Lavender Bay NSW 2060 on Wednesday, 2nd November 2016 at 3:00pm and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1. That the Remuneration Report for the year ended 30 June 2016 be adopted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director - Ms Sue Healy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Placement Capacity Refresh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Date

CGR

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